FBIS DAILY REPORT

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PLOT TO KILL ALFONSIN, FREE VIDELA ALLEGED

PY281424 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1143 GMT 28 Dec 85

[Text] Buenos Aires, 28 Dec (NA) -- An alleged plan to free Lieutenant General Jorge Rafael Videla, retired, and Admiral Emilio Eduardo Massera, retired, has been reported by Guillermo Patricio Kelly [former head of the National Liberation Alliance], who said that the PLO, the Moon Sect, and the Propoganda 2 Masonic Lodge were jointly responsible for the plan.

According to Kelly, the freeing of the former military commanders, now held at the Magdalena military prison, was to be the first step of the plan, followed by an international terrorist escalation which, in the case of Argentina, included "assassinating President Raul Alfonsin Allende-style, detaining about 40,000 people and killing 40 of them."

Kelly reported this alleged plot to Secretariat No 66 of Criminal Court "J" in the federal capital. Later in a press conference, he gave details which he said appear in a handwritten letter he received on 26 December. The letter, copies of which Kelly distributed to newsmen, is signed with the initials "P.A.," but Kelly refused to reveal the name for which they stand.

Kelly also stated that reports regarding the theft of documents from the 17 de Octubre mansion in Madrid by Raul Guglieiminetti and other accomplices are "true" and that the documents "exist." He said the theft of important papers belonging to the late Juan Peron took place when Federal Judge Rafael Sarmiento declared the Madrid mansion under embargo during the last Argentine military government. Despite the fact that this embargo did not imply that the house should be raided, "they, together with former Air Force commander and junta member Omar Graffigna, put everything Peron had in sacks, evaded the guard at the house, and, with the help of a cadet, took the documents to Buenos Aires in a military plane. "Kelly stated that the documents "were distributed among the several members of a group," and, when he heard about it, he insisted in vain the Judge Sarmiento tell him why the papers had not been safeguarded at his court.

The letter says that Videla and Massera were to be freed on 31 December or 1 January and that a helicopter would be used in the operation, with three others in support. They were to be flown to a supertanker at anchor about 30 miles off the Atlantic coast near Punta del Este and then taken to Durban, South Africa. The rescue was to be backed with a large sum of money, about $4 million, with which the Magdalena prison chief and his guards, reduced in a number because of the year end leaves, were to be "bought."

Interior Ministry Under Secretary Raul Galvan and Brigadier Mario Romanelli also reportedly knew about the plan.

Stroessner Reportedly Involved

PY292200 Madrid EFE in Spanish 1827 GMT 29 Dec 85

[By Jesus Fonseca Escartin]

[Excerpt] Buenos Aires, 29 Dec (EFE) -- New revelations about an alleged international terrorist plan to destabilize the southern cone have caused astonishment and concern in Argentina. In Punta del Este, Uruguay, Argentine Nationalist Leader Patricio Kelly told two Buenos Aires newspapers, LA RAZON and DIARIO POPULAR, and then confirmed in Buenos Aires to EFE, that "terrorists want to turn South America into another Lebanon."

Kelly stated that the base of operations for the alleged terrorist plan is in Paraguay.

"Stroessner protects them all, and a little army of 200 men, all of them members of the Argentine Anticommunist Alliance (Triple A) and some other groups are being trained there," he stated.

ALFONSIN WILL NOT ATTEND GUATEMALAN INAUGURAL

PY270246 Beuenos Aires Argentina Televisora Color in Spanish 0000 GMT 27 Dec 85

[Text] Government House sources today reported that the possibility of President Alfonsin's trip to the inauguration of Guatemalan President Vinicio Cerezo has been ruled out. The trip was reportedly suspended because of the Contadora Group's current situation and its future as a consequence of poor results in its efforts for peace in Central America.

It was also disclosed that in order to travel to Guatemala, President Alfonsin had allegedly imposed the condition that some other chiefs of state be present at the inauguration. This is hardly likely to happen in view of the current situation in the region.

Regarding the Contadora Group, several possibilities are being discussed for its future. It was even proposed some days ago that it should be broken up and a new peace-seeking group formed for the region. It was reported that more news about this subject will be revealed tomorrow. However, the possibility that the Contadora Group will continue working to obtain peace in the region cannot be ruled out.

RIOS ERENU COMMENTS ON ARMY RESTRUCTURING

PY270204 Buenos Aires BUENOS AIRES HERALD in English 26 Dec 85 p 7

[Text] (NA) -- Army chief-of-staff Hector Rios Erenu said 1985 "was positive" because "Argentina is standing tall, working with clearly marked objectives, and its residents are walking towards reconciliation in peace, in liberty and in national union." Next year, he added in comments to the press last Tuesday, "will not be easy but it will not be impossible." The lieutenant-general, asked if the Army would be restructured during 1986, said "the reorganization of the Army is a plan going beyond the course of next year."

BRIEFS

ARMED FORCES CONSCRIPTION -- Twenty percent fewer people will be called up for military duty during 1986, a high-ranking defence ministry source said. The 35,000 total Armed Forces conscripts in 1985 will be lowered to 25,000 next year. The drop is both due to budget and military modernization plans. [Text] [Buenos Aires BUENOS AIRES HERALD in English 26 Dec 85 PY]

MARITIME FREIGHT PROTOCOL -- Havana, 22 Dec (TELAM-PRENSA LATINA) -- Argentine River Transport Under Secretary Pedro Agustin Truco and Cuban River Transport Deputy Minister Otto Roca have signed an agreement. Protocols are signed every year in order to regulate the participation of each country's fleet in bilateral sea transport, distribution of tonnage, and value of freights. [Summary] [Buenos Aires TELAM in Spanish 2031 GMT 22 Dec 85 PY]

RESUMPTION OF RELATIONS WITH CUBA SUSPENDED

PY271805 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Dec 85 p 6

[Text] Brasilia -- The resumption of diplomatic relations between Cuba and Brazil has been suspended indefinitely. The reason for interrupting the rapprochement was the reaction of the Armed Forces to the fact that four Cuban diplomats on 13 December tried to kidnap Manuel Sanchez Perez, a former Cuban deputy planning minister, on one of the busiest streets in Madrid. The Spanish Government has expelled the diplomats who tried to kidnap the former secret agent, who was granted asylum in Spain in November.

Foreign Minister Olavo Setubal, 63, yesterday told one of his advisers during a telephone conversation that the possibility of resuming diplomatic ties with Cuba is "practically pigeonholed" until 14 February, when he will leave Itamaraty to run for governor of Sao Paulo State. He intended to close his term with this diplomatic achievement, which might have gained him many votes. "Frankly, I do not know when relations will be resumed," Minister Setubal told his adviser. Resumed relations have been expected for sometime, but the military sector has resisted the rapprochement for political reasons.

General Rubens Bayma Denys, chief of the military cabinet, and Ivan de Souza Mendes, chief of the National Intelligence Service (SNI), sensed the reaction to the kidnap attempt and transmitted it to President Sarney, who had already received favorable opinions from Itamaraty and from the SNI on the resumption of ties with Cuba. However, the military authorities, worried about similar actions in Brazil, fear that the Cuban Embassy may serve as a base for subversion in the country and for the kidnapping of important officers.

According to President Sarney, however, the decision to resume diplomatic relations with Cuba is made, and it only remains to announce it at the right time. The president pays extreme attention to his political support among the military, and has already detected in the barracks a fear of possible "civil disobedience," in other words, the actions of labor union members and left-wing parties. In his speech to the generals last week, Sarney voiced his readiness to fight possible "anarchic" movements.

Cuba is still feared by the military, which is convinced that the island, "a Soviet satellite," might spread subversion in the continent. The National Security Council stated in its report that the resumption, despite these reservations, will not cause problems in the barracks. "But everything has to be done at the right time," Bayma Denys stressed to President Sarney during recent talks.

RESHUFFLE WILL NOT ELIMINATE MINISTRIES

PY270209 Rio de Janeiro O GLOBO in Portuguese 26 Dec 85 p 1

[Text] According to Fernando Cesar Mesquita, President Sarney's press secretary, the president is not planning to eliminate ministries or create a social welfare ministry when he reshuffles the government in February. He said that the president believes that any change in this regard would lead to a paralysis of the administrative structure.

The position of special presidential adviser for economic affairs will be terminated as soon as Luiz Paulo Rosemberg steps down within the framework of the government reshuffle. According to one of the advisers at the Planalto Palace, the Finance Ministry provides all the advice that is needed.

PINOCHET REFUSES TO DISCUSS ACCORD WITH FRESNO

PY262322 Paris AFP in Spanish 1839 GMT 26 Dec 85

[Text] Santiago, 26 Dec (AFP) Political sources in Santiago today revealed that President Augusto Pinochet refused to discuss the National Accord for Transition to Full Democracy during his interview with Cardinal Juan Francisco Fresno on 24 December.

Sergio Molina, National Accord coordinator, reported that Msgr Fresno raised the subject of the democratic proposal made by 11 political parties when he met with president in La Moneda Palace before Christmas. However, Pinochet refused to discuss the issue, Molina said after talking with Cardinal Fresno. He added that the president had ordered his ministers not to receive the representatives of the parties that signed the National Accord on 25 August.

The interview between the chief of state and the cardinal was considered to be the last possibility for establishing a dialogue about the National Accord, which in general terms proposes the free elections of new leaders for the country. Last week, the military government, through an official communique, said that the proposal was not acceptable and pointed out the ideological contradictions among the parties signing the National Accord document, saying that they ranged from the old conservative right to socialism.

Former Junta Member Comments

PY271347 Santiago Radio Chilena in Spanish 2200 GMT 26 Dec 85

[Passages within quotation marks recorded]

[Text] Approximately 800 guests and numerous Radio Chilena listeners who have heard of the event [Pinochet's refusal to discuss the National Accord with Msgr Fresno] through our newscasts are filing into the gymnasium at the Compania de Maria School, located at 35 Seminario Street. Within the next few minutes there will be a live broadcast from the gymnasium of the old program in which Chileans used to see themselves reflected in a respectful exchange between people with different ideas. Jaime Celedona is the master of ceremonies for this program that tonight features former junta member General Gustavo Leigh Guzman, retired, as the main speaker.

"Primera Plana" interviewed General Leigh and asked him whether General Pinochet's rejection of the dialogue proposed in the National Accord was definitive.

[Leigh] Well, I know him, and it is my belief that he has not yet closed the door completely. If he has, I believe that he has closed the broadest and most wide open door on the greatest chance he has had during his government. If he has not closed it and opens it again at any time [as heard] -- it is impossible to anticipate this gentleman's attitude -- then maybe this Accord will have the effect it should have.

But, in addition, he is forecasting surprises and spectacular announcements, which may pull the rug out from under the Accord, or it could mean that there will be a call to sit down at the table. I don't know, but I believe that if he closes the door completely, which is apparently what is happening, it is, practically, I would say, almost an act of suicide."

Leigh considers an escalation of repression or a harsher government crackdown to be impossible following the meeting between Pinochet and Cardinal Juan Francisco Fresno. "No, I so not believe so. I do not believe there will be a harsher crackdown because of the meeting; I do not believe it can be any harsher than it already is. Church-government relations have never, in all Chilean been histoty, been at such a low point. I do not believe he will go any further. I do not believe he will, and I do not believe that it will happen.

"The problem is that the church also is in a very difficult position, because, with the upcoming visit of the pope, the church wants to keep well away from all active political problems it might have with the government. It wants to maintain a position of understanding, of reconciliation at all costs. These points favor Pinochet, because he takes advantage of them and then commits abuses. That is what is happening."

"Primera Plana" asked him whether he had any knowledge that the U.S. Government was going to reopen the investigation into the murder of Orlando Letelier. He was asked this question because a few days ago Leigh stressed that one of the most important events, due to the horror and condemnation throughout the world at that crime, was the murder of a person who had been a minister under Salvador Allende. Unexpectedly, Leigh's answer was very brief. "No, I have no knowledge or news regarding this matter."

In some political circles it has been said that in view of Leigh's answer to that question it is probable that the Reagan administration will reopen the investigation into the Letelier murder, which occurred in Washington on 20 September 1976. It will be recalled that the Chilean Government handed over Michael Townley to the U.S. courts as the murderer, but his accomplices have never been placed at the disposal of the U.S. courts.

BRIEFS

NEW AMBASSADOR TO OAS -- The Chilean Government has appointed Javier Illanes, currently Chilean ambassador to Brazil, as new ambassador to the OAS. [Summary] [Santiago Radio Chilena in Spanish 1600 GMT 24 Dec 85 PY]

5TH ARMY DIVISION COMMANDER -- Punta Arenas -- Brigadier General Jaime Gonzalez Vergara has taken over the post of commander of the 5th Army Division. He replaces Major General Jorge O'Ryan Balbontin, who has been appointed Army chief of staff. [Summary] [Santiago LA TERCERA DE LA HORA in Spanish 14 Dec 85 p 16 PY]

JANUARY -OCTOBER TRADE SURPLUS -- The Chilean trade balance showed a $666.6-million [figure as received] surplus for the January-October 1985 period. According to the Central bank, this figure is three times larger than that for the same period last year. Over this 10-month period, imports totalled $2,405,500,000 and exports totalled $3,117,100,000. [Text] [Madrid EFE in Spanish 1107 GMT 24 Dec 85 PY]

GOVERNMENT TO ASK NICARAGUA TO EXPLAIN M-19 LINKS

PA291728 Madrid EFE in Spanish 1549 GMT 29 Dec 85

[Text] Bogota, 29 Dec (EFE) -- Colombia is preparing a diplomatic note to the Nicaraguan Government for an explanation of matters related to the attack on the Palace of Justice and the celebration of a mass for the "martyrs" of the 19 April Movement (M-19) guerrillas, it was learned in Bogota today. The daily EL TIEMPO today prominently displays information in this regard in an article entitled "Connection With M-19: Colombia Will Ask Nicaragua for Explanation," citing "sources of absolute credibility."

According to the sources, "Following a Colombian request, some governments have confirmed that some of the weapons found in the destroyed Palace of Justice in Bogota came from a shipment which former Venezuelan President Carlos Andres Perez sent to the Sandinists to help overthrow Anastasio Somoza."

The bloody occupation of the palace on 6 and 7 November by an M-19 commando resulted in at least 120 people killed, including the entire guerrilla commando, military and civilian personnel, and 11 magistrates, among them the president of the Supreme Court of Justice, Alfonso Reyes Echandia.

A few days after the occupation, the authorities indicated that the weapons used by M-19 in the siege came from Nicaragua.

EL TIEMPO today affirmed that "it was also established that other rifles, which the U.S. Government had delivered to the Nicaraguan rebels at the same time to overthrow the dictator, were among the weapons found on the Palace premises."

The same sources pointed out that the Colombian Ministry of Foreign Relations "will ask the Nicaraguan Government for an explanation of the celebration of a mass in memory of the terrorists who attacked the Palace of Justice." During the ceremony, the paper added, the terrorists "were described as martyrs." An explanation will also be demanded for the presence of Interior Minister Commander Tomas Borge at the religious services. The magazine GUION 3 weeks ago published photos of the mass in Managua, showing the M-19 banner and Minister Borge attending the mass, which triggered indignation in some Colombian circles.

In view of all the activities, denunciations, photos, weapons, and various statements, the Colombian government recalled its ambassador to Nicaragua, Abelardo Duarte Sotelo, "for consultations."

Foreign Minister Augusto Ramirez Ocampo has reiterated that as soon as the official investigation of the charges concludes, a report will be released for national and international public consideration.

The paper also noted that some of the weapons included in the war materiel seized show printed on the butts "inscriptions about donation to the Sandinist cause by Venezuela and the United States;" confirmation of this will be the reason for sending the diplomatic note demanding an explanation. "The note will establish that the Colombian Foreign Ministry already has sufficient elements of proof to officially deliver the diplomatic note to the Nicaraguan Government," EL TIEMPO concluded.

ORIGIN OF WEAPONS REPORTEDLY ESTABLISHED

PA270421 Bogota EL ESPECTADOR in Spanish 19 Dec pp 1 A, 13 A

[By Hernan Unas; capitalized words published in italics]

[Excerpts] A responsible source told this newspaper that 20 of the 40 weapons seized at the Justice Palace as well as all the ammunition found there came from Nicaragua.

The FAL, Galil, R-15, and R-16 rifles seized are all powerful weapons. To prove that he was not making this up, our sources said that among the seized weapons are a Galil rifle, serial no 2852, and a FAL M-63 rifle, serial no 23181. The source added that the ammunition found in the demolished Palace of Justice is high quality ammunition; not even the Colombian Army has this type of ammunition. The source was referring to the 5.56 caliber cartridges found inside the palace.

The same military man said that some of the rifles that were seized, which today have become the EVIDENCE regarding the aid that the group which carried out the attack receives from the Sandinist government, are R-15 rifles. These rifles were sold by the Vietnamese to Libya. From Libya they were shipped to Nicaragua and from Nicaragua to the Colombian guerrilla movement. Included in that group of rifles are some Galil rifles.

The source said that the preliminary investigations have disclosed that certain Galil rifles were surreptitiously purchased in Nicaragua and brought into our country illegally. The Galil is a powerful and accurate submachinegun. A few of these weapons have been taken from the National Police during several attacks. The military man added that a total of 40 weapons were seized at the Palace of Justice and that half of these weapons came from the above-mentioned Central American country.

Almost all these weapons were found on the fourth floor of the demolished building where the leaders of the OCCUPATION and several magistrates who had been taken as hostages were killed. According to the information EL ESPECTADOR received, 16 of the weapons were found on the fourth floor. The same source added that weapons stolen from the Ecuadoran police have been found in the hands of the guerrilla group. Among the weapons are some Ruby revolvers.

Last week it was learned that Colombian Foreign Minister Augusto Ramirez Ocampo has taken this matter into his own hands. During his stopover in Buenos Aires, Foreign Minister Ramirez Ocampo said that an investigation had begun. The foreign minister said that "only when we have all the information and proof will the Colombian Government issue a statement on the matter and present the national and international public with a reliable report on the incident." Alluding to statements made by [U.S. Secretary of State] Shultz, the foreign minister added: "It is an investigation that pertains exclusively to the Colombian authorities."

BRIEFS

COCAINE SEIZED -- The DAS [Administrative Department of Security] today seized 3 kg of pure cocaine in the neighborhood of Madelena, located in southwestern Bogota. Delmira Salazar Alvarado, a Peruvian citizen who apparently entered Colombian territory illegally, was arrested during the operation. The cocaine had been prepared for export. [Summary] [Bogota Television Service in Spanish 1730 GMT 27 Dec 85 PA]

FOREIGN MINISTER CALLS DEBT 'ECONOMIC ISSUE'

PY241651 Asuncion EL DIARIO in Spanish 24 Dec 85 p 22

[Text] Upon returning from Montevideo, Foreign Minister Dr Carlos Augusto Saldivar told the press "the Baker Plan was analyzed and there were opposing opinions, because some believe that it can be useful and others that it cannot be applied in the current situation." He added: "Anyway, the Baker Plan is a proposal by an illustrious representative of the U.S. Government that should still be studied and analyzed."

Asked whether the foreign debt problem would be solved from a political rather than from an economic viewpoint, and whether the LAIA [Latin American Integration Association] meeting that he attended addressed the issue, he replied: "Although the problem was considered from a political viewpoint, it is essentially an economic issue. Politically speaking, interest rates are a key factor. The reduction of interest rates must be the result of a political decision that creditor countries have to implement through their financial agencies."

During his conversation with reporters at the airport, the foreign minister was asked whether the Baker Plan was a political or an economic initiative. He replied: "It is an economic plan with a political background, because it is the manner in which the United States must handle its relations with Latin America and with the developing world."

Asked whether the issue should be considered from a political viewpoint and what position our country should adopt, taking into account our foreign debt, Saldivar said: "Paraguay will not make use of the Baker Plan because we do not have a heavy debt burden. We are supporting the other Latin American nations with our solidarity in this situation."

Thus, this has once again confirmed the "solidarity of the Paraguayan people, because even though we do not have to confront the problems of the most heavily indebted countries, we are supporting them in this situation."

This was a summary of the comments Foreign Minister Saldivar made to the press upon returning from the two economic meetings he attended in Montevideo last week.

CHURCH SPONSORING REGIME-OPPOSITION DIALOGUE

PY211529 Paris AFP in Spanish 1639 GMT 20 Dec 85

[Text] Asuncion, 20 Dec (AFP) -- Monsignor Jorge Livieres Banks, secretary general of the Paraguayan Episcopal Conference (CEP), today told AFP that the Paraguayan church has decided to begin talks with the government, the opposition, and the various sectors of the country in search of a national dialogue, which is everybody's aspiration.

The influential church leader thus responded to a request submitted last month by leaders of the National Accord, an opposition political organization that the government has not recognized. The National Accord asked for mediation by the bishops in view of the church's mission and the unpostponable need for creating a proper atmosphere of national unity for receiving the pope, whose visit has been announced for 1987.

Talking to AFP after a session in which the CEP Standing Bishops Council approved the above decision, Livieres Banks optimistically stated: We Paraguayans are convinced that we can achieve our reconciliation and unity. He pointed out that since the church is identified with all sectors, it has agreed to begin the dialogue at all social levels and not only with the opposition and the government.

It is essential to begin a dialogue in which not only the government and the opposition, but also the businessmen, the journalists, the farmers, and the leaders of the various sectors should participate, he stressed. He added that the dialogue would serve to find coincidences to overcome disagreements. We know there can be difficulties, but it is necessary to talk to everyone to meet everyone's aspirations for reconciliation.

Livieres Banks and Bishop Oscar Paez Garcete have been designated by the church leadership as the mediators who will lead the talks.

National Accord leaders, expectant after the bishops' decision, today said the Santiago archbishop has for some months successfully undertaken a similar task in Chile between the government of General Augusto Pinochet and the opposition parties. Some Accord leaders today said the Accord has promised a break in its political activism during the development of the Church's political missions.

LIBERAL PARTY REELECTS BURGOS AS PRESIDENT

PY232348 Asuncion ULTIMA HORA in Spanish 23 Dec 85 p 11

[Excerpts] Under the slogan "total unity of the Liberal family for the centennial of the party's foundation," the Liberal Party held its regular convention yesterday and re-elected Dr Joaquin A. Burgos as its president. According to party officials, more than 800 convention delegates convened in the Espana Theater from 0830 until 1400.

An extraordinary general convention was held earlier to modify several articles of the party statutes, particularly the one referring to the number of directorate members, which was reduced from 36 to 30.

On a motion by Bernardo Arias Diaz, the convention ratified the expulsion of Camilo Melot Rodas, Emilio Vallejos Chenu, Fulvio H. Celauro, Francisco Sanabria, and Marcelino Concha Garcia, a measure that had been resolved by the party directorate. These individuals had been negotiating the unification of the party but the negotiation failed. Up to the last moment they have been trying to suspend the party convention through court action.

Closing the covention, Burgos thanked the conventioners for his reelection and promised to work determinedly for the unification of all the liberals under one banner to bring about the consolidation of the party.

BRIEFS

4 PERCENT 1985 GDP INCREASE -- Preliminary official figures place this year's GDP growth at 4 percent, 1 percentage point higher than last year's. This increase is mainly due to larger production of wheat, soybean, and cotton. [Excerpt] [Asuncion EL DIARIO in Spanish 23 Dec 85 p 1 PY]

PRESIDENT ORDERS 'INTERVENTION' OF U.S. OIL COMPANY

Action Not Directed at U.S.

PY281820 Lima Television Peruana in Spanish 0100 GMT 28 Dec 85

[Excerpts] President Alan Garcia Perez today announced that the State Petroleum Agency will take control of the facilities of the U.S. company Belco Petroleum, upon failing to reach an agreement with this company.

Garcia said Peru needs foreign investment to develop its petroleum program and noted that the measure taken against Belco should not be interpreted as an anti-U.S. position.

Garcia said: It is definitely not. I cannot see why this action should be taken as a measure that would affect Peruvian-U.S. relations. Peru does not see it that way.

Favorable Accords With Other Firms

PY280158 Paris AFP in Spanish 0121 GMT 28 Dec 85

[Text] Lima, 27 Dec (AFP) -- President Alan Garcia tonight ordered the state oil company to intervene the deposits and plants of the U.S. oil company Belco Petroleum because no agreement was reached in the renegotiation of the operation contracts which the government revoked last 26 August. However, it was reported that a very favorable agreement was reached with the U.S. oil company Occidental Petroleum which operates in the Amazon jungle. A special agreement was also reached with the U.S.-Argentine consortium Oxy-Bridas. Belco Petroleum had been extracting oil from the continental shelf north of Peru since 1959.

Garcia Comments

PY281536 Lima Latinoamericana Television in Spanish 0415 GMT 28 Dec 85

[Text] The nation today closely followed developments stemming from the government's momentous decision regarding its oil contracts with the four foreign companies that have been operating in our country.

The entire nation followed these developments with great interest since it was learned quite early that the U.S. company Belco Petroleum was leaving the country. Late this afternoon, it became clear that the U.S.-Argentine consortium Oxy-Bridas and the U.S. company Occidental Petroleum have decided to continue to operate in Peru under the terms established by the Peruvian Government.

Tonight, President Alan Garcia described the new terms to be observed by the foreign companies. Here are the president's remarks.

[Begin Garcia recording] As president of Peru, I am here this evening to discharge my historic responsibility of informing the nation of the results of the negotiations with the oil companies Occidental Petroleum, Belco Petroleum, and the Oxy-Bridas consortium. I am doing this because I believe this is a national issue and a political one, or one that can be exploited politically to the extent of inflicting fear on those having governmental responsibilities. Thus, I called this meeting here at Government Palace to give an open briefing in the presence of the press and the public on the results achieved by the negotiating committee after 120 days of work.

We have indulged here in a sort of Manichaeanism: For some, foreign capital should be received under any conditions because it would be good under any circumstances; for others, foreign capital is bad in every respect. We do not endorse either of these positions. We believe in giving fair treatment to foreign capital because we need foreign technology in many areas. We also believe a sovereign nation is capable of dealing with foreign companies as equals.

As a result of these negotiations and these decrees and laws, we have reached the following conclusions:

The Belco Petroleum Company, which was exploring the Peruvian northwestern continental shelf, has not responded satisfactorily to the Peruvian conditions. Thus, through a decree -- a copy of which has been delivered to you -- the Peruvian Government had ordered that the Peruvian State Petroleum Agency take control of the continental shelf and the lots in which Belco Petroleum was operating.

This decree also provides for the creation of a committee charged with accurately determining Belco's rights. We propose that a Belco representative be appointed to serve on this committee. The decree also states that any claim should be assessed by experts appointed by the Supreme Court.

Regarding the Occidental Petroleum Company, negotiations have satisfactorily concluded in accordance with the objectives I made public 72 hours ago when I announced the government's proposal.

In the first place, the basic agreement signed by the negotiating committee has paved the way for signing a contract within 60 days. Occidental has agreed to pay the taxes that were not paid [passage indistinct]. Therefore, Occidental will pay 247 billion soles to the Peruvian Government for the previous years, and the equivalent of 3 million barrels of oil for this year. This is the solution to the first problem.

Regarding the second problem related to Law No 23231, Occidental has accepted the re-establishment of the 68.5-percent tax, which means that the system prevailing before the enactment of the much-criticized Law No 23231 during the previous administration will be restored.

The basic agreement also provides that extraction activities in Lots 1 A and 1 B, which are the ones allocated to Occidental Petroleum, will be financed by Occidental with its own capital, and not by withholding payment of taxes to the government as was done in recent years. Therefore, Occidental will have to spend approximately $300 million on extraction activities in Lots 1 A and 1 B.

Yet, the most important thing is that Occidental has agreed to invest $267 million in prospecting activities, that is, an amount equivalent to that exempted under Law No 23231. It is known that no prospecting has been undertaken in recent years because the amount exempted under Law No 23231 was fully used to finance extracting activities.

In sum, gentlemen, we object to the policy established by decrees and by Law No 23231, which reduced the tax rate from 68 to 41 percent, which was used to extract [words indistinct] petroleum and which discouraged prospecting activities.

What achievements have the negotiating committee obtained on behalf of the nationalist government? First, that overdue taxes will be paid; second, upon repeal of the respective law, that the tax rate will be increased again to 68 percent; that the contractor will use its own funds to extract petroleum; that the contractor will make a commitment bakced by a bank guarantee to undertake an investment plan totaling $267 million, which is the largest investment in the petroleum field that could be made in the country.

Figures show that the company's returns, that is, the margin between investment and profits, will be an all-time low both in Peruvian petroleum history and in the history of this company in this country; thus, its profits will also be an all-time low.

Finally, the agreement provides for guarantee clauses: if the oil price drops, the tax rate will go down; if tax rates go down, the contractor will continue to pay 68 percent without any [word indistinct].

These are the terms under which the negotiating committee reached an agreement with Occidental Petroleum Company, which must sign a contract within 60 days taking these terms into account.

By changing the taxing and legal terms of these agreements, the government has sought to defend the interests of the Peruvian state. It has not been just a question of expropriating or of expelling a foreign company. In the case of Belco Petroleum, there has been neither an agreement nor a satisfactory reply. Thus, the government has ordered Petroperu to take care of (?its lots) and to leave any claim to the courts.

In the case of Occidental, after stating our terms, we have seen with relative satisfaction that the basic conditions have been met.

There will always be people who will say that it would have been better to expropriate all these companies. Those of us who believe that we can deal sovereignly, as equals, with foreign companies do not share this view. We are not afraid to deal with foreign companies. If we fail to reach an agreement, as in the Belco case, we take charge of the wealth that is not being adequately exploited. But if we can reach an agreement that will result in investments needed by our country in this period of tight credit, we will sign it because it will benefit our country.

The third case is that of Oxy-Bridas, a small consortium that is exploiting only 5 or 6 percent of our oil in the northwestern region. Given its small size, Oxy-Bridas has merited different treatment. For specific economic reasons, we believe it appropriate to give the following solution to this case: Since Law No 23231 was repealed, the tax rate was again increased to 68 percent, and all related decrees were also repealed, Oxy-Bridas will operate in accordance with the terms of the original contract signed in July 1980, that is, those terms agreed to prior to the distortions introduced to a fair system by the laws passed under the previous administration.

These are the three decisions made by the government. [end recording]

ALVA CASTRO, ENTOURAGE LEAVE FOR HAVANA

PY292050 Paris AFP in Spanish 1720 GMT 29 Dec 85

[Text] Lima, 29 Dec (AFP) -- Prime Minister Luis Alva Castro, who is also the economy minister, today left for Havana with a 15-member entourage in response to an invitation to attend the commemoration of the 27th anniversary of the Cuban revolution on 30 December.

Alva Castro, accompanied by his wife and two children, Fisheries Minister Jose Palomino, and Deputy Minister of Economy Gustavo Soberbein, made no comments to the press before leaving aboard a plane of the Soviet airline, Aeroflot.

When he announced his surprise trip to Havana on Friday, Alva Castro said he had received a special informal invitation from President Fidel Castro. The prime minister said he would take advantage of this opportunity to talk about a fishing agreement between the two countries and to thank the Cuban Government for having provided, free of charge, two fishing boats to Peru. These boats are supplying fish to the Peruvian market. The two boats will remain in Peru for 6 months. During this period, 60 novice Peruvian crew members will receive training.

The Peruvian and Cuban Governments are concluding a negotiation to normalize their bilateral diplomatic relations, which have been at the charge d'affaires level since 1980. After being confirmed by the Senate, Carlos Higueras Ramos was designated Peruvian ambassador to Havana on 28 December.

PUBLIC SERVANTS DECLARE 24-HOUR STRIKE

PY271532 Lima Radio del Pacifico in Spanish 1300 GMT 27 Dec 85

[Excerpts] The ANDINA news agency reports that labor leader Luis Negreiros, who is the president of the Chamber of Deputies, has called on the leaders of the so-called CITE [Public Servants Intersectorial Commission] to drop all coercive measures that may jeopardize the country's economic reactivation and affect the national economy. Negreiros justified the suspension of the summer working schedule for public servants on the grounds that the country is going through a difficult time that demands more work, production, and sacrifice from all Peruvians.

In the meantime, the office of the Lima mayor has ordered the necessary protection for those workers who will not join the strike declared by the CITE for today.

After announcing the 24-hour stike, the CITE, which represents 300,000 workers, released a statement demanding that United Left President Alfonso Barrantes and United Left lawmakers take action against the change in the summer working scheduled for public servants.

CITE Secretary General Cesar Passalacqua has said that the strike, which he described as "peaceful resistance," has been decreed in agreement with the rank and file and that it has been confirmed by the delegates; assembly, which met on 21 December.

CAR BOMB EXPLODES; SOLDIERS DIE IN ACCIDENT

PY292015 Paris AFP in Spanish 1627 GMT 29 Dec 85

[Excerpts] Lima, 29 Dec (AFP) -- Police reported here today that a car bomb went off last night some 60 meters from the Ayacucho Republican Guard barracks, and in the Ayacucho district of Quinua three Army soldiers dies and nine others were injured when the military vehicle in which they were traveling overturned. The accident is being investigated.

The car bomb attack, the first of its kind in Ayacucho, 575 km southeast of Lima and a guerrilla stronghold since the extremists began operating 5 years ago, was perpetrated by Shining Path members, who stole an Entelperu [National Telecommunications Enterprise of Peru] pickup truck and loaded it with 20 kg of dynamite.

The blast destroyed the vehicle, scattering pieces over a 50-meter radius, but caused no casualties. It seriously damaged a nearby hospital, a high school, and some houses, the source said.

Even though the causes of the accident in which the three soldiers died are still under investigation, police sources have not ruled out the possibility of a terrorist attack. It was reported that the dead and wounded were taken to Lima by plane today. The vehicle that overturned was part of a military convoy taking Army troops to Ayacucho. The troops had been relieved in San Miguel district, La Mar Province.

Police sources have also reported that Captain Pedro Rodriguez of the health unit was shot in a car on Friday evening, and that Civil Guard Sergeant Vega Villanueva was also shot on Friday evening on a street in San Juan de Lurigancho district on the outskirts of Lima. Investigations of these two attacks have been carried out in secret, and no details have been provided. The sources said the two victims of the alleged terrorist attacks were admitted to the police hospital.

SHINING PATH CLAIMS RESPONSIBILITY FOR ATTACKS

PY262250 Paris AFP in Spanish 1604 GMT 26 Dec 85

[Text] Lima, 26 Dec (AFP) -- It was reported today in this capital that Shining Path guerrillas have claimed responsibility for the car bomb that exploded in Lima's airport and for the fire at the headquarters of the Joint Command of the Armed Forces. The two attacks were carried out on 23 December. The guerrillas telephoned the media to make their report.

An unidentified man telephoned the newspaper EL NACIONAL and stated that the wave of 51 bomb attacks against banks, offices of political organizations, monuments, electricity pylons and public offices were part of the commemoration of former Chinese leader Mao Zedong's birthday, which is celebrated today.

The majority of the attacks were carried out on 23 December in various places within Lima and in some towns in the Peruvian interior.

The car bomb that exploded in the parking lot of the Jorge Chavez International Airport destroyed 10 vehicles and wounded 3 persons.

Regarding the fire that broke out on 24 December at the Joint Command, the man, according to the newspaper, said: We have carried out an act of sabotage under their very noses. It was not a fire that caused the short circuit. An official Armed Forces communique attributed the fire to a short circuit in a conference room, but witnesses that reside in the neighborhood of the military building had stated that they heard explosions just before the fire broke out.

Meanwhile, the police have reported that Shining Path member Cirilo Cortez Agreda, who has been identified as the guerrilla who set off the car bomb at the airport, still remains free. Cortez was working as a teacher at the National Engineering University, where the authorities recently broke up some terrorist cells, and as a high school teacher at the Tupac Amaru National School, located in the heavily populated Lima district of Comas.

L. AMERICA UNITED AGAINST EXCESSIVE DEBT PAYMENTS

PY242040 Madrid EFE in Spanish 0418 GMT 24 Dec 85

[Text] Montevideo, 23 Dec (EFE) -- Foreign Minister Enrique Iglesias has termed the Cartagena Consensus' decision on the foreign debt and its emergency program for the region a "great step toward Latin American unity."

Commenting in a TV program on the importance of the agreements reached in Montevideo on payment of the foreign debt and the earmarking of a percentage of the region's income for development, he said: "This decision is not a threat, it reflects the bare truth, a warning."

Iglesias, who was reelected as temporary secretary of the consensus, which comprises 11 nations that owe 90 percent of the $360-billion Latin American debt, asserted that the U.S. "Baker plan" is "insufficient in quality and quantity" to solve the crisis. He confirmed that both the United States and the EC have been officially informed of the decisions of the debtor countries.

The "Baker Plan" calls for channeling $30 billion to the indebted countries in exchange for austerity policies. Calling the aid program "insufficient," the Cartagena Consensus made a counterproposal limiting the net transfers from the region to the industrialized creditor countries.

Iglesias mentioned the importance of having adopted a joint resolution, despite the varying preference of the nations participating in the Cartagena Consensus: Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Peru, the Dominican Republic, Mexico, Venezuela, and Uruguay. Iglesias said that some countries, such as Brazil, give greater importance to trade, while others like Mexico and Argentina, have cash flow problems and prefer investments.

Regarding Peru, Iglesias commented that "it stays within the Cartagena spirit" and has made efforts to reach a domestic adjustment and limited its payments to a certain level of its exports.

He said that Uruguay, when negotiating its foreign debt, did something similar to what Peru had done, but limited its payments to 14 or 15 percent of its income.

ITALY'S ANDREOTTI HOLDS OFFICIAL TALKS, DEPARTS

PY241710 Paris AFP in Spanish 2302 GMT 23 Dec 85

[Text] Montevideo, 23 Dec (AFP) -- Italian Foreign Minister Giulio Andreotti stressed here today the need for the European countries to adopt generous solutions to the problems of the Latin American nations.

Making a short visit to Uruguay, Andreotti asserted that his country is not ignorant of Latin America's problems and that on many occasions it has proposed a direct dialogue between debtors and creditors to reach a solution to the region's debt, which totals more than $370 billion.

He added that the joy the European states feel over the democratic resurgence in the area is useless if it is not accompanied by support to alleviate the economic and social crises facing Latin America. He emphasized that the lack of solutions to these problems might take history back to the sinister ages of the sword.

In this respect, he said that Italy will struggle so that all European nations listen to the complaints of Latin America over its debt, which he called a political problem, and lift the protectionist barriers that now make trade difficult.

At noon, Andreotti and his counterpart, Enrique Iglesias, signed a protocol through which the Italian Government formally stated its intention to support the Uruguayan economic recovery. This document establishes, among other things, a loan of $30 million earmarked for the Corporation for Development, a recently created organization whose goal is to give new impetus to agricultural and industrial activities.

This loan was agreed upon for the rehabilitation of small and medium-sized industries, particularly in the textile, fur, and leather sectors, and will be paid back in a 20-year term with a 5-year grace period and an annual interest rate of 1.75 percent.

During his 24-hour stay in Montevideo, the Italian foreign minister met with President Julio Sanguinetti, with whom he discussed topics related to trade and mutual relations. He also met with some prominent Uruguayan politicians. He placed a wreath of flowers at the base of the monument to Uruguayan independence hero Jose Artigas, and participated in a banquet offered by his Uruguayan counterpart.

Andreotti left for his country in the late afternoon.

TUPAMAROS ADMIT DEFEAT, WANT TO JOIN BROAD FRONT

PY241748 Madrid EFE in Spanish 0351 GMT 24 Dec 85

[Text] Montevideo, 23 Dec (EFE) -- The old Uruguayan "Tupamaro" guerrilla group today admitted defeat in the military arena and decided to form a legal political force that "will struggle to strengthen democracy."

At the end of the first legal convention of members of the National Liberation Movement [MLN], new officials were elected. The founder of the group, Raul Sendic Antonaccio, received the largest number of votes and will head the 33-member executive committee.

The "Tupamaros" deliberated "behind closed doors," but the resolutions will be published on 26 December in a public ceremony.

At a press conference today, leader Julio Marenales gave an advance report on what was decided. He said the MLN will be totally socialist and will not officially ask to be included within the leftist "Broad Front" coalition. Marenales added that the Christian Democratic Party, which is a member of the coalition, has publicly stated that it will not allow the inclusion of the "Tupamaros" in the "Broad Front."

Marenales stated that more than 1,000 members "admitted defeat in the military sector and ratified the decision of the provisional committee to give up the armed struggle and form a political movement, "because the current situation is different" from that of the 1970's. The MLN was defeated by the Uruguayan military forces a little before the 1973 coup. Its members were arrested and given lengthy prison sentences. In March 1985, shortly after the democratic government of President Julio Maria Sanguinetti took office, the "Tupamaros" were granted an amnesty and immediately set free.

ENTOURAGE NAMED FOR DE LA MADRID-REAGAN TALKS

FL270355 Mexico City NOTIMEX in Spanish 2230 GMT 24 Dec 85

[Text] Mexico City, 24 Dec (NOTIMEX) -- Mexican Secretary of Finance and Public Credit Jesus Silva Herzog, Secretary of Commerce Hector Hernandez Cervantes, and Foreign Secretary Bernardo Sepulveda Amor will accompany President Miguel de la Madrid during his upcoming meeting with his U.S. counterpart, Ronald Reagan. This has been announced by the president's office which underscored that De la Madrid continues to maintain the position established at the beginning of his term of having a small entourage during state trips.

In addition to these officials, President De la Madrid will be accompanied by Antonio Riva Palacio, representative of the grand commission of the Chamber of Deputies; Chief of the General Staff Carlos Humberto Bermudez; Mexican Ambassador to the United States Jorge Espinosa de los Reyes; Foreign Under Secretary Alfonso de Rosenzweig; Manuel Alonso, the president's social communications director; and Emilio Gamboa Patron, the president's Protocol Director General Pedro Gonzalez Rubio is among the official guests.

The meeting the president and Ronald Reagan will hold on 3 January in the border city of Mexicali, Baja California, will be the 34th between presidents of Mexico and the United States and the 4th between De la Madrid and Reagan.

Investments To Dominate Talks

PA300305 Mexico City UNOMASUNO in Spanish 28 Dec 85 p 3

[Article by Victor Manuel Juarez]

[Excerpt] As can be deduced from the statement by the Presidency of the Republic, one of the topics to be discussed during the 3 January meeting in Mexicali between Presidents Miguel de la Madrid and Ronald Reagan involve the country's need to obtain greater economic resources through foreign investments.

Based on the information provided by the Secretariat of Social Communication of the Presidency, "U.S. investments have become a fundamental element" in the growth of foreign investments, because they represent 68 percent of Mexico's overall foreign investments, whereas for the powerful northern nation this constitutes only 2.2 percent of its investments all over the world.

During his second trip to Washington President De la Madrid stressed the need to find greater cooperation between the two countries in areas regarding commerce and financing, and specifically regarding the elimination of protectionist pressures imposed on Mexican products and formulas to avoid the rise of interest rates.

Observers are predicting that economic and financial matters will dominate the fourth meeting between De la Madrid and Reagan.

Tha talks, which began in San Diego, California, continued in La Paz, Baja California, in 1982, and in Washington 1 year later, are to resume in Mexicali in 1986.

Although there will be little time to discuss the many issues pending, the two presidents will discuss the problem of undocumented aliens, analyze Mexico's negotiations for its imminent entry into the GATT, and examine commercial and tourist relations, as well as negative campaigns against our country. However, there will be time to give thanks for the aid sent to the victims of the 19 and 20 September earthquakes.

On this matter, President De la Madrid has said: "We have learned to solve our problems calmly and realistically. Two peoples with different histories and cultures, experiencing dissimilarities and disparities, have found that the basis for their mutual understanding is in the road toward dialogue and communication."

Today the Christmas spirit must exist in our leaders.

Some figures on foreign investments, basically U.S. investments, explain the great length of time that the Mexican and U.S. presidents will devote to examining this issue.

There are 6,895 companies registered with the Secretariat of Commerce and Industrial Development, and approximately 4,000 of these involve U.S. capital. The areas where these companies exert influence are the automobile, electronics, and food industries. Thus, during the current 6-year period, the following companies have grown: Ford Motor Company, General Motors, and Chrysler Corporation; as well as IBM, Sperry SA, Control Data, Black and Decker, Combustion Engineering, and Oil Well Drilling Control, Inc. The last two have delved into high technology areas to develop the oil industry.

It is worth noting that to date the accumulated foreign investment in the country totals $14,235. 2 million, barely 2.2 percent of the overall foreign investment made in this country [as published]. However, in the past 3 years, thanks to the government's implementation of new criteria on foreign capital and technology, $3.8 billion has come into the country.

1 KILLED IN PAN-POLICE CONFRONTATION IN CHIAPAS

PA292259 Mexico City EL UNIVERSAL in Spanish 28 Dec 85 p 1A

[Excerpt] Villa de Alcala, Chiapas, 27 Dec -- During a confrontation between approximately 300 PAN [National Action Party] members and 50 public security men when the former were being dislodged from a security command post they had occupied, 1 person was killed and 9 others injured. The PAN members carried machetes, sticks, sharp cutting weapons, stones, and powerful homemade bombs with which they confronted the policemen. Being threatened, the police defended themselves as best they could without using their firearms.

NORIEGA ADDRESSES MILITARY OFFICERS, TROOPS

PA290230 Panama City MATUTINO in Spanish 28 Dec 85 pp 1, 8 A

[Speech by General Manuel Antonio Noriega, commander in chief of the Defense Forces of the Republic of Panama, FDP, at the "Division General Omar Torrijos Herrera" Military Base in Rio Hato on 27 December; capitalized passages published in boldface]

[Text] You have positively summarized the contributions to our homeland made by the Armed Forces! You have demonstrated that the goals for self-sufficiency and technology during 1985 were more than a slogan. They became a reality, which has created a pattern of conduct for the FDP plans from now until December 1999.

The self-sufficiency and technology goals had their theater of operations during the Year of Youth; here all the military garrisons and zones gave the best of our time to today's youth, who will be the leaders in the year 2000.

Within that theater of operations, our wives in Asefudep earned deserved recognition; they offered extraordinary examples of patriotism and dedication during the Youth and Children's Fair!

The UN General Assembly has proclaimed 1986 the International Year of Peace. This proclamation and its subsequent observance calls on the international community to engage in joint efforts in order to eliminate the obstacles for peace, and to take positive measures toward the creation of a peaceful and more safe world. The UN program states that "perhaps 1986 will not be a year of total peace, but it should be a year of actions for peace, and of serious meditation on the basis and conditions that peace demands."

Today, the FDP declares that we will look for ways to build unity, to cooperate, and to perform broader actions with all the nongovernment forces and organizations and intergovernmental organizations that favor peace, national independence, economic and social development, and that are against racism, hunger, and poverty.

As it has been doing so far, the FDP will continue contributing and advancing in the search for a consensus, coordination, and understanding with all the movements, patriotic and nationalist forces. This includes political parties, labor unions, female, youth or business organizations, professional groups, and all those who firmly support peace. We are not referring to peace as an expression, or as an ideological stance, or as a party slogan, or as a profane concept of diabolic sects. [sentence as published]

To this movement for peace, we will add the patriotic sentiment that basically rules our military life. Repeating Canalejas' [not further identified] phrase,"a military man must be a better patriot than the rest of the citizens, or he is not a good serviceman ..." And peace, for us, is Panama's sovereignty and independence in its unity and territorial integrity.

War and peace are two concepts that are closely related. We cannot talk about peace without referring to war, and the latter from its beginning is aimed at achieving peace with utmost justice, from the point of view of the warmonger. If war had never existed, peace would be a natural state, and therefore it would not have been necessary to create a word to define it. Hence, peace and war cannot be analyzed separately. Peace or war can only be defined and understood by referring to the other.

Analyzing the factors, we maintain the doctrinal principle of security. All attitudes, activities, or efforts are fundamental and basic, provided that:

1. The efforts are not utopian, but realistic. Diplomatic efforts must accompany military activities in order to have an objective idea of the reality surrounding us, and to have a basis from which progress can be made on the path to the desired peace.

2. The means, procedures, and activities used to achieve lasting peace should not endanger -- as far as Panama is concerned -- national sovereignty, independence, unity, and territorial integrity.

3. Efforts should not follow an ideology or party line, as it is clear that because there are different ideologies in the world, the search for peace based on one of them would only bring more destabilization for the benefit of those promoting it, and therefore, instead of seeking peace, it would augment the danger of disrupting it.

4. Although the peace movements may be independent of any ideology, they should not be cleverly manipulated by either of the dominant ideologies.

Therefore, our doctorinal stance and the Armed Forces message for 1986 will be: SECURITY WITHOUT WAR IN THE YEAR OF PEACE. The concept of security without war has emerged as a consequence of the evolution that nations have faced in their political, social, and economic structures. However, this is not a new concept per se because today, as before, the existence of a state is always in constant danger, whether in peace or war, and perhaps more so in times of peace. In the past, only the political revolutionists conspired. Today, we must add the social revolutionist, who can be a nihilist, a terrorist, or a drug trafficker, and finally -- and this phenomenon is clearly related to modern times -- we must add the economist and financier, both inside the country and abroad, who maliciously link their own interests with those of the nation, so that in the end their personal interests will prevail.

Furthermore, any nation can face deplorable circumstances of misery, and thus of insecurity, due to public calamities whose consequences can hardly be controlled. However, some preventive measures can be taken, which may not prevent the calamity altogether, as this is not possible, but which can diminish the efforts or provide an adequate rehabilitation in the fastest way possible.

As you can see, this policy does not in itself contain war activities in the sense in which we are accustomed to considering them, but it does imply the state's defense effort in a very broad sense. This is why every measure adopted by the state to ensure security in times of peace in the areas visualized can be classified as a measure of security without war.

It is not fitting in this speech to discuss all the aspects that could be a reason for security without war on each of the fronts; I will only provide a very general discussion of them, adding that all of the fronts have many and varied actions to fulfill:

A) SECURITY WITHOUT WAR (EXTERNAL FRONT)
   Defense of the respect that the state deserves
   Defense of international state rights
B) SECURITY WITHOUT WAR (INTERNAL FRONT)

The objective of this policy is to secure the state against enemies that try to destroy it from the inside:

Extremism
Subversion
Sedition
Low politics or political chicanery
Low level of public health
Lack of social welfare
Undesirable immigration, the immigration bomb
General delinquency
Drug trafficking and laundering of money

C) SECURITY WITHOUT WAR (ECONOMIC FRONT)

Perhaps this defense is the most obvious, the one that the government should be most determined to fulfill. It refers to the protection that should be given to economic activities, which are a very important part of development. I will mention the following:

Defense of agricultural activities, including the conservation of lands, forests, water resources, etc.
Defense of fishing in the entire territory, and territorial waters
Defense of trade
Defense of energy resources
Defense of transportation and communications
Financial defense, to be understood as investments and their protection

D) SECURITY WITHOUT WAR (MILITARY FRONT)

Without this policy, no matter how well planned the others, the state would lack the essential support to enjoy peace. The military policy is the basis of the country's defense in times of war, and its most efficient preventive in times of peace.

Military policy represents the country's preparation for its protection against a foreign enemy and against internal enemies when they resort to violence that cannot be combatted with persuasion or police repression.

The most important aspects of this policy are the following:

1. Potential sources of personnel
2. Adequate material and equipment
3. Education and in-depth instruction and training, with professional excellence
4. Collaboration of the forces in the development field, without neglecting the missions of the military statute
5. Promotion of self-sufficiency and technology
6. Geostrategic and geopolitical agreements
7. The exercise and maintenance of sovereignty, especially in border areas
8. Maintenance of public order
9. Prevention of insurgency
10. Advice to the other fronts
11. Relations and work coordination with similar armies and friends.

You have all made a positive summary of the military's contribution to our fatherland!

You have demonstrated that the attainment of self-sufficiency and technology in 1985 was more than a slogan; it was a reality that created patterns of conduct in the Defense Forces' plans for December 1999.

Self-sufficiency and technology had their theater of operations within the framework of the Year of Youth; all of the headquarters and military zones gave the best of their time to today's youths.

Gentlemen chiefs, officers and troops present, let us face 1986 with optimism and project the spirit of our garrison toward the community to which we are responsible. Let us remember that we are at the end of one phase and at the threshold of another. The basis for hope can only be found in each man's chest. Let us remember that we are at a joint effort, that we also have to work with society and the isthmian people.

Officers, soldiers all, let us renew our objective of not allowing night or darkness to submerge Panama into a dead end. We must advance constantly, upon the bases of our principles and moral forces and upon the bases of our enemies, following the sun's orbit so that our armed contingent can contribute to making our country's future a permanent operation between sunset and sunrise without ever losing that ray of hope on the horizon that we all want to carry in a Christian manner, saying happy 1986 to all of you, to your men, to our families, and to our friends.

LEGISLATIVE ASSEMBLY APPROVES 1986 BUDGET

PA291336 Panama City Televisora Nacional in Spanish 0000 GMT 29 Dec 85

[Text] The Legislative Assembly today approved, in a third debate, the nation's 1986 budget, which is for 2,098,200,000 balboas. The voting was 44 in favor, 16 against, and no abstentions.

The Legislative Assembly will meet again on Monday at 1530.

EL SALVADOR

DUARTE, OCHOA COMMENT ON COUP RUMORS, TRUCE

PA282222 San Salvador Channel 2 Television in Spanish 0430 GMT 28 Dec 85

[Text] Today, 200 recruits were sworn in as they joined the Bracamonte rapid deployment battalion in Comalapa. Diplomas were given to those recruits who distinguished themselves during the courses and homage was paid to those killed in combat. During this event, Colonel Sigifredo Ochoa and President Jose Napoleon Duarte made statements about the truce and other matters of national interest.

[Begin recording] [Ochoa] We have received no official communication from the staff. Consequently, we have continued to carry out the instructions previously received.

[Unidentified reporter] Does this mean that operations have continued on 24 and 25 December?

[Ochoa] We have not carried out any offensive operations, but we have controlled areas, highways, and villages, thus stressing security, which is our mission.

[Reporter] Colonel, constant desertions from the FMLN ranks have been reported. What can you tell us about this as chief of such a sensitive area?

[Ochoa] Part of the responsibility of the Armed Forces and the government is to urge the rebels to join the democratic process and return to their families. In addition, military operations have weakened the guerrillas. I feel this is what has been happening. The subversives realize that they will not win and that their actions against the people will be fruitless. Consequently, they have chosen to withdraw. During our patrolling, we have found a number of rifles and related military equipment. Some prisoners have reported that many rebels have destroyed their equipment and fled. Some others have surrendered to the Armed Forces and returned home.

[Reporter] Colonel, it has been reported that some far right sectors have been trying to create division in the Armed Forces to bring about a coup. What can you tell us about this?

[Ochoa] I feel these actions of the far rightists are unreasonable. They should not be trying to incite the Armed Forces into a coup. We are not instruments of any party or sector, either rightist or leftist. This is our stance. We believe we must continue to support this democratic process because there is a people-elected government, regardless of the party to which this government belongs. Our mission is to support it and let the people elect their representatives by their votes. This is why we feel the far rightists are wrong by sending us anonymous letters trying to incite us. Their efforts will fall on deaf ears. We are a professional institution, we support the democratization process, and we are struggling for peace in the country.

[Duarte] Several things must be explained clearly. In the first place, [words indistinct] the guerrillas decided to announce a unilateral truce. This is the first thing that must be taken into consideration. Regarding this situation, Msgr [Arturo Rivera y Damas] asked us not to carry out any offensive actions during this period. So we said we would gladly cooperate in this. This is why I am here now, and that's why you are here, also. This is to show you that all of the rapid deployment battalions are at their quarters. I have been visiting each of the battalions to point out what you can confirm now.

The Bracamonte, one of the offensive battalions, [words indistinct] is at its quarters. This is why we gladly accepted Msgr Rivera y Damas' request and said we would suspend our offensive actions.

[Reporter] Mr President, some military chiefs of (?isolated) garrisons have disclosed that far rightists have been sending them letters inciting the Armed Forces into a coup against your government. [words indistinct]

[Duarte] Perhaps the (?general) can tell us something about this because I have no information.

[Ochoa] Regarding what you have said, I feel it is not worth commenting on.

[Duarte] I also feel the matter is not worth commenting on. Nevertheless, it is logical that those sectors accustomed to historical privileges would try to recover power they once had and which is now in the hands of the people. A normal method for this has been to try and rouse the Armed Forces. [end recording]

President Duarte added that the moves for a coup originate in rightist sectors that have lost their privileges and want to return to the past.

ARENA'S D'AUBUISSON INTERVIEWED, ATTACKS REGIME

PA280333 San Jose RUMBO CENTROAMERICANO in Spanish 20-26 Dec 85 pp 14, 15

[Report on an interview with Major Roberto D'Aubuisson, former president of the Nationalist Republican Alliance (ARENA), and presidential candidate, with reporter Jorge Armando Contreras; place and date not given]

[Text] Major Roberto D'Aubuisson, the controversial rightist Salvadoran leader, said he is hardly a "political cadaver," as his opponents call him. Actually, he assures, it is President Jose Napoleon Duarte who no longer enjoys the support of a certain sector of the Armed Forces that used to tolerate him.

In an interview granted to RUMBO CENTROAMERICANO, the now honorary president of the Nationalist Republican Alliance (ARENA), said his withdrawal as active chief of that organization at mid-year was not the result of a party decision and much less a "purge." "I asked to be replaced, and although there was some resistance, the party later understood my decision," D'Aubuisson explained.

According to him, the Christian Democratic Party [PDC] has not given up "its maneuver" to link him to actions that he did not carry out and that "undoubtedly affects my party. It is not fair to hurt the entire organization when they are only trying to hurt me." In contrast, industrialist Alfredo Cristiani, the new party president, is a relatively new politician who "does not have a past that can be used by the PDC to attack ARENA."

In addition, he feels satisfied and supported for having been named the honorary president of the party, although to his opponents his withdrawal as active president of the party constitutes the end of his political leadership in El Salvador.

To the National Conciliation Party (PCN) --- now in the hands of a less rightist sector -- D'Aubuisson has become a "cantonal speaker" because he spends his time in organizing rural directorates for ARENA, after having vied for the presidency of the Republic with current President Napoleon Duarte.

However, D'Aubuisson believes that his current situation is better than before because he can now dedicate more time to the party and can tour the country. He said that one of ARENA's objectives is to establish a political institute to train men, youths, and political leaders.

Armando Calderon Sol, leader of ARENA's alternate faction and one of the most influential deputies in the Legislative Assembly, agreed with the former presidential candidate in that D'Aubuisson has not lost his party's confidence, quite the contrary, he has been tasked with very delicate duties within the party, such as the restructuring of local cadres. Calderon Sol said: "D'Aubuisson continues to be the 'symbol' of anti-communism in El Salvador and the entire continent."

D'Aubuisson, former president of the no longer existing Constituent Assembly, believes that the charges linking him to the so-called "death squads" and to assassinations such as that of Msgr Oscar Arnulfo Romero (in 1980) are "dirty maneuvers from the PDC." He said: "They are despicable actions by the Christian Democrats to divert attention from serious national problems and to justify the government's inability to govern."

He said that when political campaigns draw near, such as in the case of the election for a Constituent Assembly in 1982 and the election for president, deputies, and mayors in 1984, the accusations increased, although no evidence has ever been presented, not even in the case of Msgr Romero.

He criticized the PDC for having removed ARENA member Jose Francisco Guerrero from the Attorney General's Office, claiming the pretext that he could not guarantee an investigation into political murders. "However, the post is now held by a PDC member who has done nothing to move forward with the trial of the alleged culprits in the bishop's death and the deaths of other PDC members like Melvin Rigoberto Orellana. This murder is still a mystery."

The polemics about Msgr Romero's death are still raging. Recently, San Salvador Archbishop Arturo Rivera y Damas alluded in a sworn statement to the testimony of a nun who allegedly implicated D'Aubuisson again. According to the testimony, the nun met shortly after the assassination with Msgr Marcos McGrath, archbishop of Panama, who was visiting El Salvador at the time, and he told her that he had seen a well dressed man waiting in a vehicle after the assassination. McGrath added that the man had a striking resemblance to D'Aubuisson.

D'Aubuisson could not care less about the PDC's accusations, however. This attitude is shared by his fellow party member Calderon Sol, who asserted to RUMBO CENTROAMERICANO that "there is always fear of the major."

Criticism of the Government

D'Aubuisson referred to Napoleon Duarte's government and asserted that neither Duarte nor the PDC are trusted by some military sectors, which have realized the party's inability to govern the country. He said he hopes Duarte will not retaliate against these militarymen at the end of the year, when he will promote changes in the Armed Forces. Even though Duarte knows they do not support him, removing them from their posts would mean creating a new crisis in the Armed Forces, D'Aubuisson added.

According to D'Aubuisson, the distrust of Duarte does not exist only among military circles. "His errors are also criticized at the U.S. Embassy."

The former president of ARENA said that, on the contrary, the military "is complying with its constitutional duty to watch over the nation's security and to fight the subversion supported from abroad."

"The problem is that while the soldiers fight bravely and the patriotic forces reject international communism, the government continues to create unrest," he said, adding that "this worries the Armed Forces."

As far as the retired major is concerned, a very different situation occurred during the 2 years ARENA handled the agrarian reform. During those 2 years production, especially of the affected sector, was maintained. "Today the cooperatives are totally bankrupt, at least most of them. They cannot pay their debts because the interest on the debts has tripled and production has decreased."

Destabilization

Regarding the alleged inablilty of the Duarte government to run the country, D'Aubuisson went deeply into the economic problems and rejected allegations that the extreme right and extreme left are destabilizing the regime. "This is only one way of making excuses for its inability." D'Aubuisson asked how it is possible to destabilize an administration that has the executive and legislative branches in its hands, and the support of the Armed Forces, the United States, and the international community.

He said ARENA's idea is to strengthen the current process to take advantage of the political space the Christian Democrats are losing. This group, D'Aubuisson added, is not interested in a coup d'etat because it is already working toward the elections of deputies and mayors to be held in 2 years and for the presidential elections to be held in 1988. Also, he said, we must not forget that ARENA obtained more than 500,000 votes in the last presidential elections, and this puts the party in a respectable position.

Meanwhile, the Christian Democrats have lost the support of the rank and file and there is nothing left of the social pact signed when this government took over. Even the peasant-labor organizations it had on its side, like the Democratic Popular Unity, have turned on it.

D'Aubuisson described Duarte's administration as too inefficient to undertake economic recovery because it has not even been able to present a plan. According to D'Aubuisson, the Salvadoran productive sectors do not trust the president. The government employees do not trust him either, and they have had to go on strike because of the high cost of living.

D'Aubuisson blames inflation on a mistaken exchange policy that has been implemented. The industrial sector has not been given foreign exchange; however, the Christian Democrats are constantly "prescribing" trips for themselves and taking dollars out of the country at the official exchange rate (2.50 colones per dollar.) They have also helped cause the low industrial and agricultural production that tips the trade balance and creates legal instability for the investor.

In conclusion, D'Aubuisson spoke of the guerrilla activity in El Salvador. He said the rebels "have been defeated and that Duarte no longer has any excuse to hold a dialogue with them, after what he did for his daughter (negotiating her release) and after going to the United States and saying that the guerrillas are supported by Nicaragua and Cuba." D'Aubuisson said this has caused Duarte to lose credibility in several sectors of the country, and this, he reiterated, will strengthen ARENA.

DUARTE ACCUSES FMLN OF BREAKING HOLIDAY TRUCE

PA272114 Hamburg DPA in Spanish 0903 GMT 27 Dec 85

[Text] San Salvador, 27 Dec (DPA) -- Last night President Jose Napoleon Duarte accused the guerrillas of violating the 10-day truce agreed upon for the Christmas and New Year's festivities, and said he has reported this in a letter to the archbishop of San Salvador. According to Duarte, FMLN guerrillas carried out two attacks on Christmas night near San Vicente and in Conchagua in eastern La Union Department, and a third attack near Suchitoto.

Guerrilla sectors had already accused the government yesterday, saying that Army troops had continued their operations, totally disregarding the truce agreed upon before Christmas through the mediation of the Catholic Church.

In his statements in San Vicente Department, Duarte said he has instructed the Defense Ministry to halt offensive actions and carry out only protective patrols.

Morazan Unit Unaware of Truce

PA271331 San Salvador Radio Cadena YSU in Spanish 1800 GMT 26 Dec 85

[Carlos Mario Marquez report]

[Text] This morning we questioned Colonel Mauricio Ernesto Vargas, commander of Military Detachment No 4, with headquarters in San Francisco Gotera, regarding the truce declared by the guerrillas in some areas. We asked him about the suspension of hostilities in that department.

[Begin recording] [Vargas] Yes, about that I would like to say that I have no knowledge of any sort of truce. First, we are duty bound, and second, we are entitled to protect the people's safety and protect against any human rights violations, and unwanted criminals. We are duty bound and entitled to enforce compliance with implementation of all matters relating to the people's safety and compliance with human rights. Therefore, we have continued our military operations at the usual pace in Morazan Department. First, we have never broken any truce since we do not recognize ever having accepted a truce. Second, I have not received any orders to suspend military operations. Therefore, military operations in Morazan continue at their usual pace, as has been the case throughout the year, and without any problems.

[Marquez] Colonel, recently, the rebels claimed to have damaged an Air Force helicopter. Is there any truth to that, Colonel?

[Vargas] Well, as always, they continue with their misinformation campaign, their lies, their falsehoods. They try to give this sort of news that may give them at least a little credibility. The fact is that no helicopters have suffered any damage at any time, not even a scratch. We have been operating here as usual. The helicopters flying over the sector are engaged in administrative and supply activities, and provide combat support. However, these helicopters do not permanently remain in the area. I categorically deny that any helicopter was damaged, at least not here in Morazan Department.

[Marquez] Colonel, we would also like to know if any armed clashes with rebel columns were reported this morning?

[Vargas] In the past 48 hours there were some clashes in the (?bordering) sector, or the eastern sector of the department. I mean, in the stretch covering Sociedad, (Calpules) and Corinto. There have been clashes there because of movements or mobilizations by these unwanted criminals. Likewise, the rebels attacked the Jocoro power plant. Jocoro, San Carlos, and [words indistinct] have electricity now. They harassed the treasury police and attacked Jocoro's electricity transformer. This took place yesterday from 1200 to 1220. In addition, there have been other clashes in the Santa Rosa de Lima sector. The rebels attacked that sector at approximately 2300 or at 2400, without major incidents or any results. As I said, the clashes have continued, but they have been without any importance. Three of our people were injured by a terrorist bomb yesterday. Besides that, we have no more news other than that which I have just reported. [end recording]

FMLN: Regime Divided by Truce

PA280456 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 28 Dec 85

[Station commentary: "A Crisis Without Truce or Quarter"]

[Text] Last October the internal crisis that has shaken the weakened Christian Democratic military regime began to gain momentum and grow. After the conclusion of the Ines Guadalupe Duarte case, which ended with a complete political, military, and diplomatic victory for the FMLN-FDR, and after the smashing guerrilla attack on the CEMFA [Armed Forces Military Training Center], the military people were furious. Their anger was justified. Already at the beginning of October the military plan designed by the Yankees for this period exhibited all the signs of failure.

The popular war had been extended to 12 departments and the capital. The FMLN gained effective control of the main and secondary highways, demonstrating this with periodic transportation stoppages that the Army could not prevent. The so-called offensive patrols and the troops' tactics, which gave no quarter, only resulted in increasingly higher numbers of dead and wounded soldiers. The war economy continued in its critical state due to sabotage. The capture of Duarte's daughter and the victorious conclusion of it for the FMLN-FDR, as well as the attack on the CEMFA, added a dizzying speed to the crisis of the regime and of its Army.

Resentment, anger, and the desire for revenge accumulated in November and December. The regime's propaganda apparatus was careful not to show the deep crisis, but the pot was boiling over and at any time the cover could pop off, and this is exactly what happened. It all began with the offer of a unilateral Christmas truce by our fronts. The Army, after 12 months of defeats, wanted a rest, but the fact of accepting an initiative proposed by our fronts implied the recognition of another power, and this made the gorrillas' hair stand on end. Therefore, the Army was facing -- and here we will use one of Duarte's words -- a dichotomy. The need to breathe and, on the other hand, its unwillingness to recognize the other army through a political truce agreement.

The church supported the Christmas truce. The people had great expectations after our fronts' positive responses. There were many elements of pressure for the regime, and they accepted. They promised to respect the truce. Duarte and several military-men believed that what they did was correct, or rather that it was not correct to have to accept an FMLN-FDR initiative, but that they had no other alternative. Other militarymen, angry and resentful of Duarte, humiliated him and broke the truce.

Duarte's word, and that of the commander general of the Armed Forces, were nothing. With the military, when it is a matter of Duarte obtaining money for them, when it is a matter of Duarte covering up their genocide, they are happy. However,when Duarte steps out of his role they become angry.

The crisis blossomed. We must point out that Colonels Ochoa Perez and Mauricio Vargas, especially Vargas, are the ones who uncovered the internal crisis, shaking the regime. International dispatches, radio and television newscasts including a U.S. Government station, cited statements made by Col Vargas to the effect that he had no knowledge of any kind of truce. A true political error. What Vargas did was similar to removing the veil and showing the entire world the deep internal crisis in the Christian Democratic military regime. After Vargas' statements, hasty meetings by the general staff were called, as well as improvised and unfortunate appearances on television by Napoleon Duarte.

At midday today, Duarte, who said yes to the truce, and Ochoa Perez, who said no, appeared on television. This was a U.S. effort to show them mutually supporting each other, taking their feet out of their mouths together. It was a useless effort to desperately cover up the crisis. Ochoa Perez and Duarte made a play of cameras and words to give the impression that there is no crisis, but Duarte's depressed face, the nervousness with which Ochoa Perez delivered his text by memory, and the earlier statements by Vargas, destroyed any effort to again hide the crisis. Today the crisis has been bared. They are all mutually accusing each other for the failure of the political, military, and economic plans. Among the military, disputes and arguments over posts have deepened, and there are accusations here and there of ineptitude.

The private sector is demanding the dismissal of several Duarte ministers, among them Rodolfo Castillo Claramount because of his exaggerated ineptitude. The oligarchic rightwing sent a letter to the Army commanders urging them to carry out a coup. It has been reported that in the next order of changes within the Armed Forces there will be dismissals and traps laid: a full internal crisis that reflects the poor political and military situation of Duarte's regime.

The regime made great efforts nationally and internationally to keep the crisis hidden. However, it only took an offer of a truce and a gorilla named Vargas to bare the crisis in its entire depth before the eyes of the entire world.

Fighting Reported in Morazan

PA271508 San Salvador Radio Cadena YSU in Spanish 1800 GMT 23 Dec 85

[Undated communique issued by the Armed Forces Press Committee -- read by announcer]

[Text] The FMLN has sustained three casualties. As a result of the constant patrolling by the Armed Forces in various parts of the country, troops of the Conchagua Battalion of Military Detachment No 3 of La Union discovered a column of extremists near El Jicaro village, Sociedad jurisdiction, in Morazan Department. A serious clash ensued, during which three terrorists were killed. In addition, 1 G-3 rifle, important documents, and a large amount of military supplies were seized.

Meanwhile, as part of their campaign to damage the people's properties, subversive groups destroyed a coffee processing plant in San Ambrosio California, Usulutan Department. The terrorists destroyed three tractors, three trucks, and 12,000 bags of coffee, as well as other machinery. The damage has been estimated at 1.7 million colones. Peace is our objective.

FMLN COMMANDER VIEWS PROGRESS OF PEOPLE'S WAR

PA250341 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 23 Dec 85

[Report by FMLN Commander Jorge Melendez, alias "Jonas", on the progress of the people's war -- recorded]

[Text] The development of the FMLN military strategy is a complex process. It is rooted in the nature of this war. The truth is that the puppet Army and Yankee imperialists are facing all the people. I will try to present an overview of four fundamental aspects of the military action in which the people and its revolutionary army are involved and demonstrate how imperialism and the Armed Forces of puppet Duarte cannot counter our tactics.

First, there is information. Without information it is impossible to put together a good plan. It is not possible to inflict overwhelming blows on the enemy and defend oneself without information. The enemy Army, its collaborators, its troops, its leaders, and foreign advisers are affected by the information provided by thousands, hundreds of thousands, and millions of Salvadoran eyes.

The immensely just war maintained by the FMLN is the fundamental instrument to lure the people into joining the patriotic war for national liberation. This allows for the organization of people into tasks involving providing information for our forces and misinformation for enemy forces.

Second, there is personnel: the men who make up an army. The FMLN guerrilla units are made up of revolutionary militants, by combatants who are conscientious about the struggle that they are involved in; they are people organizers. The organization of the people is broader, larger, and more perfect each day. The morale of our forces is based on the realization that our war is just; that personal interests are being defended -- the interests of the majority of Salvadorans, the working class, and the interests of the homeland against a sellout government and a puppet Armed Forces. The forces are convinced that this is the people's war.

Our forces become increasingly larger through voluntary membership. As the war goes on, our work and ties with the people are strengthened. As the people join in, our victories increase and our tactics are further improved. As time passes, we have more and more detailed information on new targets; we learn more about the terrain, and men who know new territories very well join our cause; former soldiers who know the officers, commanders, and military installations join our forces. We establish ties with soldiers who are on active duty in the army ranks.

In sum, the source of our growth is inexhaustible. A sea of guerrillas is under formation throughout the country. However, our combatants are totally superior to enemy forces, thanks to its conscious and voluntary nature. Our forces are dedicated to making permanent efforts toward their training and improvement, toward their development as individual combatants, and toward the permanent development of new technical knowledge.

They spare no effort to carry out any kind of operation by creatively applying tactics and using the war materiel available to us -- mainly explosives and popular weapons.

This is the third aspect: A war requires a supply of war materiel. This is the card Ronald Reagan plays to win over, manage, and dominate Durate and the Armed Forces --

war materiel such as rifles, bombs, and planes that bring about so many deaths. On our part, our main water materiel consists of a combination of popular weapons and the courage and creativity of the people and revolutionary combatants.

For example, a young woman, an elderly man, or a woman who is apparently unarmed, can detonate a powerful explosive on an enemy convoy moving along a highway in any point and at any time. How can the enemy prevent people from moving about on all highways and cities?

In a popular war anything becomes a weapon: spears, knives, fire, and homemade bombs become war materiel. The terrain itself becomes a means to wage a war. Trees are set up as traps to destroy enemy troops, no matter whether they are infantry or airborne forces. Ways to destroy aircraft are gradually being improved. Popular weapons are inexhaustible; they are increasingly improved and are becoming better instruments to inflict mass casualties.

As our capability to destroy enemy forces increases, our capability to recover modern weapons from the enemy also increases. The puppet has become a permanent source of logistics supply for our forces.

Fourth, there are the operations. We can describe this as follows: superior men with exact information, with demolishing weapons, who know the terrain perfectly, and are protected by the residents who will not help the enemy. That is the kind of operation carried out by the guerrillas. This explains the FMLN capability to destroy military headquarters, the war economy, and to permanently wear down the Armed Forces. FMLN operations are the expression of the tactics of the people's war. They are the expression of the Salvadoran people's unyielding will to achieve freedom.

Now, let us take a look at the results of the guerrilla tactics 1 year after their application. First, in our destabilization and attrition campaign against the war economy of Napoleon Duarte's pro-imperialist regime, the puppet armed forces has shown total inability to defend its economy. No economic project will be developed by the oligarchy and imperialism as long as they continue to advocate exploitation and injustice.

Ronald Reagan can send many millions of dollars, but he will crash against the FMLN's firm struggle and sabotage campaign. This is clearly demonstrated in the production of cotton. A total of 150,000 manzanas were cultivated in 1978; today, only 130,000 manzanas are being cultivated.

It is depressing to admit that a direct source of revenue for the state which is directly invested to maintain the Army has suffered a decrease in production. This represents a net drop of $115 million; that is more than 700 million colones not collected by the state. This drop is the result of FMLN control in areas where that crop is cultivated.

Coffee production has dropped from 4.1 million quintals in the 1979-80 harvest to only 2.4 million quintals in 1985. This represents a net loss of more than 1.3 billion colones to the war economy. This does not take into consideration the sabotage that is taking place this year.

The supply of electricity is a disaster. It is totally irregular in the capital due to sabotage at a national level. Mr Duarte announced that in the east the government is investing 40 million colones and only receives revenues totaling 3 million. Most people in the eastern area do not have electricity. The government has already given up fixing the lines.

San Miguel is supplied by the Jalacatal Power Plant that consumes enormous quantities of fuel and money each day. Fuel transportation to the country's east is also experiencing a crisis, so much so that the government has decided to create a maritime flotilla to carry fuel from the west to the east of the country.

This clearly shows the military situation. Our country is very small and densely populated. Civilians live along the highways. It is not possible for any guerrilla to move about without being noticed by the people. Nevertheless, the puppet Armed Forces cannot detect the mobilization of guerrilla units; it is incapable of controlling the highways, or even guaranteeing fuel transportation.

This is because they are facing all the people. Commenting further on the attack on the war economy of Duarte and the United States, as for fuel, they are obliged to (?invest) millions to transport it by sea.

Although it may seem ridiculous in such a small country that is full of highways, the regime is forced to invest in ships to transport fuel within the country itself. The government is obliged to make this investment, not because it wishes to satisfy the fuel needs of the people, but because it needs this to develop its own operations and transportation, and for its helicopters, and to pick up the wounded in the eastern region.

In addition to this chaotic situation in production and war economy, there are other aspects that combine to make the situation even worse. One of these aspects is the lack of new investments, because no guarantees are offered. Another aspect, and perhaps the most fatal of all working against the regime's economy and plans, is corruption. It begins with Napoleon Duarte himself, touches public officials, and ends with top Army officers.

Another cause of the profound destabilization and disorder in the puppet regime is the division within its ranks, between political parties, among the bourgeoisie, and also among the military. In addition to the destabilization, there are the numerous casualties suffered by the Army; they are permanent in nature and will increase each day as long as this war continues.

Figures available for 5 months, July to November and the first days of November 1985 are as follows: In July, there were 470 casualties, 84 caused by mines, and 24 by ambushes; in August, 682 casualties, 146 caused by mines, 27 by ambushes; in September, 461 casualties, 135 caused by mines, 18 by ambushes; in October, 825 casualties, 203 by mines, 272 from the attack on the CEMFA [Armed Forces Military Training Center] and 28 by ambushes; in November, 581 casualties, 108 by mines, 25 by ambushes; in the first days of December, we have already caused 270 casualties, including 25 casualties inside Chalatenango itself from a stationary position. The Central Front inflicted 120 casualties on the enemy during a massive operation that clearly shows the total uselessness of 23 hours of desperate bombings carried out by the regime a few days ago in Guazapa.

The total number of casualties in those 5 months was 3,019. From this total, 679 were caused by revolutionary mines and approximately 578 were the result of ambushes with shape charged mines. These casualties caused by mines and ambushes do not include those inflicted during the first days of December. Our reports indicate that approximately 42 percent of the casualties were caused with popular weapons; casualties caused by popular weapons are on the rise.

Now, if we analyze this data, we realize that the FMLN tactic has turned the enemy's military strategy into its best ally to defeat it. The military tactics imposed by the United States on the enemy is mainly based on what they call troops without headquarters. That is, forces involved in constant mobilization and activity.

It is actually the constant mobilization and patrolling operations of the puppet forces that allows us to massively use mines and ambushes. What can puppet forces do given such circumstances? Stop moving about and patrolling, and lose even more terrain? Or continue moving about and lose more men and more weapons?

The Armed Forces see no solution to this, because the only option is to work on the side of the people's interests. The Army is the defender of the interests of the oligarchy and U.S. imperialism, which are enemies of the Salvadoran people.

Therefore, it must continue moving and serve as targets of the guerrilla weapons and operations. However, this is not all. The war is not static at this level. In those 5 months, 132 ambushes were carried out on the main highways; on the same highways used for commerce, fuels, supplies, and by Army troops.

To gain control over the highways means isolating the cities; to cut off commerce and supplies to the Army is to cut off the strategic movement of forces. The FMLN's guerrilla tactic is beginning to dispute control over the highways. In order to control all of them, the Army would have to guard every meter or march along and be combat ready on all highways if it does not wish to be a target of ambushes. However, the Army is incapable of doing either of these things and will end up losing control over the highways.

Throughout the war, the FMLN has accumulated experience enabling it to defeat larger enemy forces by using a larger number of forces as well. It has carried out mass artillery attacks against large Army barracks. It has occupied enemy barracks. All this experience is put together today to develop the permanent, massive guerrilla attrition tactic involving strong large-scale unexpected blows when and where the enemy least expects them.

This was applied in the attack on the Armed Forces Military Training Center, CEMFA, the largest and best-fortified headquarters of the country. In a matter of minutes it was surprised, caught disorganized, and was destroyed. Puppet Army chiefs know that there is no other headquarters equal to this one; they know that the FMLN could repeat this attack anytime and anywhere in the country. The Armed Forces can concentrate forces at any point in the country to become the target of revolutionary mines and popular traps and it would be the target, at the same time, of a crushing blow at another point where it lacks troops to counterattack.

This is the combination of guerrilla tactics with military experience accumulated by the FMLN throughout the war. We are reaching maturity in the development of our military tactics.

In the development of our guerrilla strategy, we began to hit the enemy's weakest point: its forces on the move, especially when involved in offensive patrolling. As we overcame obstacles and made this the base of our greatest wearing down of the enemy, we began to hit stationary, peripheric positions, which constitute its second weakness. We made this a permanent part of the FMLN military action.

At this superior stage, we began to hit stationary, strategic positions in the deep rearguard and to develop urban actions. These are the two objectives that became more continuous. That is the dynamics of the development of the guerrilla at a superior level. Blows to destroy all strategic objectives in the enemy's rearguard will be increasingly continuous and nobody, not even Yankee imperialism, will be able to prevent it.

The development and maturity of our strategy is linked to the progress of our people's liberation war. One year later, FMLN-controlled territories have expanded greatly and constantly. In the theaters of operations, we attack the enemy where he expects it least and we inflict heavy blows. The western front was consolidated; urban guerrilla activities, especially in the capital, were consolidated.

The expansion of territory is a strategic factor. The Army is not large enough to cover all theaters of operations in which the FMLN fights and it is forced to constantly increase its ranks and demand much more money to maintain the Army. It needs to carry out more operations in a larger territory. To this end, it needs more trucks, helicopters, and more fuel. Therefore, sabotage is more harmful to its war economy.

In the military field, in a sure and sustained way, the revolutionary forces have been wearing down and defeating the puppets. This is reflected in the low morale of the soldiers and officers. In addition to FMLN victories, another real fact destroys the Army: The great majority of the soldiers in the Army are poor peasants, workers, and students, who are forcefully recruited. They are men from the poorest classes incorporated into an Army that fights against their own interests.

The Army is an army of the rich but it is not made up of rich people who are willing to die to defend those interests. It is made up of poor people expected to fight against their own interests. This is a reality that the soldiers are realizing more clearly. The U.S. strategy is based on the enlargement of the army. In order to fulfill its plans, a larger and more massive recruitment is needed. This increasingly contributes to its own defeat.

The lack of a just cause to fight is the real explanation for the low combat morale of the puppet Army troops and not that the soldiers are cowards, as is being claimed by officers and gringos.

As they gain a better consciousness of their own interests, the soldiers help the FMLN and that is a patriotic attitude. The soldiers are the majority in the Army; they are poor armed men; they are the most powerful. The officers now can only use deceit and intimidation to dominate the soldiers, but that will end soon. Commanders and officers will pay dearly for the threats and the abuse of soldiers.

In addition, many officers, despite the misinformation, realize that they are puppets of the United States. They realize that dialogue and negotiation proposals presented by the FMLN are prudent and that their leaders only fight to achieve personal ambitions.

This desperate situation is also reflected in Duarte and the High Command when they try to raise the morale of their Army with lies, by increasing the number of casualties inflicted on the guerrillas, and by failing to report large numbers of Army casualties. Their desperation is reflected in their attempt to raise their Army's morale through attacks against the people, massive bombings, captures, and threats. However, they are only sinking themselves even lower. This is the nature of our war. The puppet government and the Armed Forces are the enemies of the people and as they apply their strategy, they become even weaker, and the people become even more organized to defeat them definitely. In the ending, I would like to call on our people to sustain their struggle to achieve justice at all levels. A victory is assured although it will be difficult to achieve. However, all past sacrifices and all obstacles that have been overcome thus far have prepared us and continue to prepare us to defeat the interventionist escalation of U.S. imperialism and their own troops, should they decide to come here. Soldier: Rebel or desert. Nobody can force you to fight against your will. If the enemy harrasses you or tries to force you to do that, there is a place for you here with the real army of the people. Officer: Join our efforts to seek national and anti-imperialist positions, or abandon the Army. No Army in the world, no matter how powerful, will ever defeat a people, especially not the Salvadorans. We live to fight and fight to win!

GUATEMALA

CEREZO DENIES SAYING PEOPLE OPPOSE MILITARY

PA280342 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 27 Dec 85

[Text] Guatemalan President-Elect Vinicio Cerezo Arevalo today announced that there is a possibility he may cancel his European tour, which is scheduled for the next few days, in order to attend to other activities pertaining to his future government. Cerezo Arevalo said that some of the names of the people who will form his government will be announced tomorrow. The new government will be sworn in on 14 January. Cerezo also said that some of the statements he made in Caracas were extremely distorted by his interviewers. He was quoted as saying that the Guatemalan people are against the Armed Forces. These and other current topics were mentioned by Cerezo Arevalo during an interview he gave to this newscast earlier this evening.

[Begin recording] [Cerezo] In the meantime I can say that my statements should be interpreted positively. I do believe that there is no possibility of a coup d'etat. I feel that within the Army they are pleased and satisfied that we had an electoral process. Should a situation arise, if there were a crisis within the government, then it would be up to the president and the Army to resolve the crisis and prevent a polarization between the Army and the people, because this would lead to a war.

[Unidentified questioner] Can you tell us something about the statements published in Caracas. They quoted you as saying that the fact that you received a majority of the votes during the past elections shows that the people are against the Army and that should a coup d'etat occur, the Army would have to fight the people with bullets.

[Cerezo] What I said was that the people are in favor of democracy. I said that if there is anyone within the Army, or should the Army decide to carry out a coup d'etat, it would mean that the Army is against the people. What I said was that if this happened then the people would have to be controlled by force. However, I would like to add, and this was not included in the dispatch, that at this moment I do not think something like this could happen.

[Question] It was also said that your government may renew relations with Cuba.

[Cerezo] I said that at this moment we were not going to take any steps toward opening relations with any [word indistinct] country. What I did say was that if in the future it becomes beneficial for Guatemala to have relations with Cuba or any other country, then we should seek these relations. Our priority must be the good of the country and, as I have always said, to develop international relations without ideological prejudice. If it is for our own good to be loyal to someone, then we are going to do it despite that government's ideology. I am an honest person, and just because I say hello or shake hands with a person described as a communist does not mean that I am going to become a communist. I have a democratic formation and if at a given time I have relations with a communist, a communist government, or with a person with another form of ideology, it does not mean that I am going to change my own ideology.

In Guatemala there is a fear of openly dealing with this subject. I must say that it is important that we begin to change this traditional attitude, which is harmful for Guatemala. Our private sector sells goods to Nicaragua and this does not mean that our private sector is turning communist. In the future we may be interested in selling to Cuba, or having relations with Cuba because this is beneficial for Guatemalan interests, not private or party interests, beneficial for Guatemalan interests.

If the relations are good for us, then why not? The problem is that in the past we covered up our fear of having relations with some countries with attitudes that only served to control the Guatemalans internally.

However, a real democracy is a democracy practiced by a government that is of the people, for the people, and by the people. Therefore, if it is good for the interests of the nation and the people to have relations with a certain country, what should we do?

At this moment we are not discussing this matter, but in the future it might be positive and we may do it.

[Question] What can you tell us about your upcoming trip abroad?

[Cerezo] I must tellyou that we are thinking about postponing all trips scheduled before the swearing in. We do not havemuch time left and we must continue working to have a government ready to present to the people. We are deciding on this [words indistinct]. [end recording]

PRESIDENT ANNOUNCES NEW CABINET MINISTERS

PA280223 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 28 Dec 85

[Text] Guatemalan President-elect Vinicio Cerezo Arevalo this morning released the names of cabinet ministers who will begin work on 14 January 1986, the date established for the swearing in of the new Guatemalan Government.

Cerezo said: The ministers announced this morning have been approved, and at a press conference I will call during the first days of January 1986, I will officially present them to the people. For the time being I am only mentioning them so that the press and the general public will know who will be in charge of some of the state ministries during the new Christian Democratic government, which was elected with 69 percent of the total valid votes counted in the 8 December elections, a victory that fully belongs to the Guatemalan people.

The names of the ministers are the following:
-- Carlos Armando Soto, public health and social welfare minister
--Rodolfo Paez Andrade, public finances minister
-- Ricardo Sosa, economy minister
-- Rodolfo Estrada, agriculture minister;
-- Elmar Rene Rojas, culture and sports minister
-- Rene De Leon Scholter, development minister
-- Eduardo Goyzueta, communications and public works minister.

The names of the new cabinet ministers of the Christian Democratic government headed by Vinicio Cerezo will be officially announced during the first days of January 1986, as well as the official list of the remaining members of the government, who will begin work on 14 January, as established on the electoral calendar presented at the beginning of 1984 by the present government.

GUATEMALA

CEREZO ON GOVERNMENT PLANS, TOUR OF C. AMERICA

PA270150 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 24 Dec 85

[Passages in quotation marks recorded]

[Text] President-elect Cerezo Arevalo has reported on the results of his trip [to Mexico and other countries].

[Cerezo Arevalo in progress] "... two objectives, which in my opinion, are basic: The first one was to make our foreign policy known, and the second one was to conduct a goodwill gesture, to take the inititive in the international field, as a step forward in order to definitely break our country's isolation in the international democratic community. In specific countries and financial institutions we found willingness to collaborate with us in solving the grave problems we will be facing as soon as we take office, such as the fuel supply, particularly gasoline and oil, as well as obtaining some urgent credits in order to maintain operation of the Chixoy [hydroelectric] program, and to face the immediate agricultural input shortage during the first months of the government.

"It is impossible to speak about the refinancing of the foreign debt in so short and fast a trip. We expressed our intention to discuss this refinancing based on a program of adjustment of our economy, because we must care for the interest of the middle and popular class sectors. Regarding Venezuela and Mexico, we are particularly interested in the oil supply because 1 week after we assume office, Guatemala will be left without gasoline and oil. For this reason, we could not leave this for later. We wanted to ensure at least a 6 months' supply and we have been assured that we will have it. Naturally, specific steps will have to be taken to conclude the negotiations. We have already expressed our intention to do so. Over the next few days we will establish a long-term negotiation, which must of necessity include the oil enterprises that supply oil to us here in Guatemala, particularly the refinery. Guatemala only pledges to pay what it must, but we would have a period of grace for the new government to be able to start operating. We will make sure we have this supply available for the time necessary for us to start this economic emergency plan.

[Unidentified reporter] "It is true that you negotiated a $300 million loan in Washington?

[Cerezo Arevalo] "No. A Central American newspaper reported that my visit had the purpose of asking for $300 million. In fact, I did not ask for anything from the United States on behalf of our new government. I visited the country because I feel that the United States is an important country in America, and also to present the possibility of our requiring economic assistance in the immediate future to foster development of the country's rural areas and increase the production of goods and services. Rather, I presented at international financial organizations, such as the IDB, the advisability of refinancing and reactivating loan requests. We presented a project aimed at cooperating with fostering small-and medium-size enterprises. This is one of the things we had offered as a specific mechanism to increase the Guatemalan population's capacity for work.

[Reporter] "It has also been said that you did not ask for military assistance for Guatemala in Washington. Is this a preliminary decision or would you change your mind later?

[Cerezo Arevalo] "I said that our request for military aid would be maintained. We deem our economic problems urgent.

Everyone knows that we have unemployment problems. At present, the Guatemalan Army has the ability to maintain internal order without the need for considerable military aid. This naturally requires domestic political decisions that we must discuss carefully. Some emergency matters will have to be decided, but we will be able to do so without any trouble. I did speak, for example, of the need for the police's professionalization and the reorganization of security agencies. This is one of the new government's purposes. I also said that we would likely give some technical assistance toward this professionalization. As you can see, this would result from what we presented as urgent measures that would be taken when we assume office. These measures are to reactivate our economy through an emergency economic plan and to initiate the reorganization of security agencies. Of course, we have had the cooperation of the Guatemalan embassies. We have been flying in a Guatemalan Air Force aircraft. This has made possible a trip so fast that, may I say, it has impressed most all of the Central American countries and those that we have visited because this has shown that we took an immediate initiative at the international level."

[Announcer] Cerezo Arevalo estimated the money that a number of international financial organizations would soon supply to Guatemala:

[Cerezo Arevalo] "Amounts available vary greatly, yet we can say about $500 million will be available for us. Such credits are for various purposes. For example, $85 million would go to the balance of payments and the refinancing of the foreign debt. Some other credits are aimed at increasing agricultural production and still some others are for the small-and medium-scale farmers to hire many laborers who are currently jobless. In addition, other credits would supply inputs to agriculture, such as inexpensive fertilizers, one of the things that we promised."

"During our emergency stage, we will require that funds immediately become available to begin fulfilling our pledges. Also, some credits require some support in our current account to begin the reconstruction of highways in the country's interior and the repair of some others, such as the one to the Atlantic coast. For this, a credit has been authorized, but some details must still be completed. Finally, I must say that we require a financial cushion in order to initiate a process of revalorization of the Guatemalan currency and reduce its cost as related to the U.S. currency. In this way, we will be able to attempt an exchange unification, but at a cost that will reduce the impact of inflation in Guatemala, particularly on the middle-class sector.

"On a medium-term basis, we must work to reorganize taxes. I will not use the word increase, because people immediately misconstrue it. We will have to explain to the people the difference between direct and indirect taxes. We will not speak about a tax increase, but about a reorganization of costs. For example, the IVA [value added tax] must be reorganized so that those who pay it pay less income tax. This is only one of a number of proposals to be presented by the finance minister in due time.

[Announcer] Cerezo Arevalo explained Guatemala's stance regarding the Central American conflict and the Contadora process:

[Cerezo Arevalo] "I clearly pointed out that we would be actively neutral. This means we will be neutral as related to avoiding military confrontations, yet active regarding the reactivation of political accords that lead to peace. This is why I announced that on the day that we assume office we would propose to the presidents a new and immediate meeting to reactivate Contadora. I would say that all the countries have enthusiastically approved this initiative by Guatemala."

[Announcer] Regarding Belize, Cerezo Arevalo mentioned his government's stance.

[Cerezo Arevaio] "We will seek and propose negotiations that accord with Guatemala's interest. We will give details about this later. This problem, however, is not urgent. Internationally, we will discuss the problem of Belize in some months, although we have already started to outline our policy on this."

[Announcer] Regarding his visit to the United States, the president-elect said that relations between the new Guatemalan Government and the U.S. Government will not necessarily have the characteristics of harmony that some news media have specially attributed to them.

[Cerezo Arevalo] "Well, there is at present a sort of honeymoon with all countries. We all know that this will change some day, but we must take advantage of this moment when Guatemala is viewed with sympathy and interest by all. We previously said that democratization is the best medicine for isolation, that respect for the people's will is the best credential for our relations with other countries of the world, particularly the democratic countries. The Guatemalan Army has fulfilled its duty, against all expectations to the contrary. All political parties and the movements working for democratization have assumed a firm stance and presented a new image of Guatemala. We have taken an important step to break isolation, which will do much good for Guatemala."

[Announcer] Cerezo Arevalo said he discussed the case of Guatemalan refugees in Mexico with President Miguel de la Madrid.

[Cerezo Arevalo] "We mentioned the topic as one to be discussed in depth. Generally speaking, however, we will do what we have said; namely, create a climate of security and lawfulness in Guatemala and establish contacts with international organizations and the Mexican Government to seek the proper mechanisms so that these refugees can return. This process will take some months because we must make sure that the returning people will find the right conditions to settle in Guatemala peacefully.

[Reporter] "What will be your government's stance regarding the (?former officials) of General Lucas Garcia's government who live outside the country and have not been tried?

[Cerezo Arevalo] "These cases are the responsibility of the Supreme Court of Justice in a democratic country and it is up to them to be concerned with this. I will let the court do whatever it feels necessary and will not put up obstacles to their work. In a democratic country, the president is neither the attorney general nor the magistrate. The chairman of the court and the tribunals are in charge of this."

[Announcer] Finally, the president-elect said that the future Christian Democratic government had to fill some gaps related to the financing of the Chixoy project initiated by the current regime.

[Cerezo Arevalo] "Some obligations had not been met by the time that machinery was installed in Chixoy. The financing for these unpaid obligations could be [words indistinct] although the plant was operating perfectly. The plant would be shut down because we do not have what we might describe as a key [llave] to modify the plant. We have mentioned an accord to partially solve this financing and then Chixoy can continue operating normally.

[Reporter] "How much more is needed?

[Cerezo Arevalo] "The amount has been included in the expenses. It does not represent an extension of credits; it has already been approved. The former Guatemalan governments did not fulfill a clause indicating that the financing already approved could not be completed. [sentence as heard] The current government had reached an accord, but the nonfulfillment of a clause prevented us from having this financing. Now we have solved this."

HONDURAS

PRESIDENT-ELECT INTERVIEWED, TO MEET BUSINESSMEN

PA272014 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 27 Dec 85

[Interview with President-Elect Jose Simon Azcona del Hoyo by Jose Emilio Soriano; place and date not given -- recorded]

[Text] [Soriano] His excellency the president-elect agreed to talk with Voz de Honduras' press department to discuss his views before he begins to run the state. He specifically discussed foreign, domestic, monetary, financial, and economic policies. He also mentioned that he will meet with the Honduran Council for Private Enterprise [COHEP] to learn about the views of the country's businessmen. Let's listen to our dialogue with the president-elect:

[Azcona del Hoyo] I was asked to meet with the Honduran businessmen. We will gladly meet with them at 1100. They will give me a statement. I will receive it and study it to see how we can (?implement) it [words indistinct] when I become the president of the Republic. Meanwhile, I have no idea of what this statement will be, and in fact, I don't know if there will be a written statement for sure. There will be an exchange of views and later on I will express my views in a written statement. This is all I can say.

[Soriano] We understand that the COHEP is seriously concerned about your future monetary, financial, and economic policies. There is some optimism because Jorge Bueso Arias, one of the men who will be in the executive branch and the cabinet, is one of the country's most serious and honest men. It is said that he will be the head of the Finance and Public Credit Secretariat. What is the opinion of the country's businessmen about this?

[Azcona del Hoyo] Regarding monetary matters, specifically about the lempira, the COHEP agrees with us that a devaluation would not be beneficial for Hondurans. Regarding the appointment of Buesco Arias as the finance secretary, that is our intention and we hope he will accept the post. I believe he is the best man for that difficult ministerial post because of his experience, his proven honesty, and not only his honesty, but his proven authoritativeness. It is not enough to be honest; you must also have sufficient authoritativeness so that your subordinates can be likewise [words indistinct].

Regarding the others on the government team, we will appoint capable people, honest people, and people who can work for the interests of all Hondurans.

[Soriano] Have you made an offer to Bueso Arias?

[Azcona del Hoyo] Yes, but he has many private matters to take care of. He hasn't accepted or rejected. There is enough time. But we did ask him to accept that responsibility. If he accepts we will give him all our support. I hope he accepts.

[Soriano] Do you think he is the man at the Finance Secretariat who can do things right in this country?

[Azcona del Hoyo] Without wanting to hurt the feelings of others who can also be good leaders at the Finance Secretariat, I believe that there are Hondurans who have the merit, the (?attitude) to head that post.

[Soriano] The president-elect also referred to Jaime Rosenthal Oliva.

[Azcona del Hoyo] According to the Constitution, the presidential designate cannot hold a post in the administration. Therefore, the presidential designate will be someone close to me. I will make maximum use of his knowledge in various areas, including economic and monetary ones.

[Soriano] A leftist South American newspaper apparently distorted some statements you made in regard to the strength, bravery, and force Honduras has with which to respond to the attacks from the Sandinist Army; what can you tell us about this? The day on which you were declared constitutional president of Honduras, you mentioned this strength and it seems that international dispatches put words in your mouth regarding this. Could you give us more details about your tour and this statement in Venezuela?

[Azcona del Hoyo] We have a clear stand regarding that. We firmly believe that neither the Honduran people and the Armed Forces, nor the Honduran Government, nor any one else wants a war with Nicaragua. It would be disastrous for us. We wouldn't be able to overcome the consequences of it in 50 years. However, we also believe firmly that Honduras and its territorial integrity must be respected. Order must be maintained and [words indistinct] cannot accuse us of [words indistinct] social peace and order in Honduras.

It is so stated in the Constitution. The Honduran Armed Forces have that constitutional mandaté and the government must support the Armed Forces so they can fulfill that constitutional mandate. I don't know why there is so much uproar. I clearly stated my position. An attempt was made to say that I wanted an uncontrolled arms race. This is not the case. I did not say that. I haven't even thought about it. We must support the Armed Forces so they can carry out the duties specified in the Constitution of the Republic. [words indistinct] Therefore, the situation is very clear. Our position is very well-defined in that regard. We don't want a war with Nicaragua, but we must be prepared for anything, not only from Nicaragua, but from any other country if the circumstances merit it, such as occurred in 1969 with El Salvador.

Right now we have great relations. I hope this can continue regardless of the ruling by the Hague International Court, which [words indistinct] because we must honor the General Peace Treaty signed in Lima on 10 December 1980.

[Soriano] You may recall that when the Romans had the mare nostrum they said: Si vis pacem, para bellum. If you wish peace, prepare for war. What can you tell us about this?

[Azcona del Hoyo] Unfortunately, this has been the problem of Honduras. After 1969, we had to maintain a war (?commission), if you want to call it that. What else could we do? Now, with the Nicaraguan problem, it seems that, unfortunately, we must continue under the same circumstances. [Words indistinct] to watch for Honduras' [word indistinct] the welfare of the fatherland and the tranquility of Honduras. You can rest assured that this is what we will do.

[Soriano] Finally, it was reported recently that Carlos (?Abel) Montoya was disqualified as a holder of a congressional seat [words indistinct]. The Constitution says that he is definitely a man who cannot sit in Congress.

[Azcona del Hoyo] I have no clear knowledge of that, thus I will not voice an opinion on it. I believe he has a right, but as I said, I will not be stubborn on that because I have no documents to back me up on it.

[Soriano] A brief message for Christmas and the New Year?

[Azcona del Hoyo] Wishing you a Merry Christmas and let's celebrate the end-of-the year festivities with honor. Let's have peace among Hondurans and let's get ready for 1986 [words indistinct] a year of work and dedication [words indistinct] not only the public sector but all Hondurans involved in any activity.

[Soriano] Your view on freedom of expression in this country, without confusing it with license?

[Azcona del Hoyo] [answer indistinct]

NICARAGUA

HONDURAN BORDER DEPLOYMENTS INCREASING TENSION

PA292201 Managua Radio Sandino in Spanish 1300 GMT 29 Dec 85

[Text] The Honduran Army has placed fresh relief troops along the border with Nicaragua, thus increasing tension between the two countries, which have been confronted with the warmongering policies of the Reagan administration. Honduran military sources said that to replace the troops, 7th Infantry Battalion units were deployed along the entire border with Nicaragua, which is approximately 700 km long.

Military tension has again become acute on the border areas due to the operations being carried out there by contras from Honduran territory. Their plans include preventing the 1985-86 coffee harvest. Honduran Government officials and military leaders have denied the presence of contras within that country's territory, but there is proof that although already defeated, a full strategy has been executed from Honduran territory that responds to U.S. Government warmongering tactics.

ANTI-SANDINIST PARTIES SUSPEND UNITY TALKS

PA281448 San Jose LA PRENSA LIBRE in Spanish 17 Dec 85 p 7

[Text] The executive committee of the Southern Opposition Bloc [BOS] has charged that because of a unilateral decision by the Nicaraguan Opposition Unity (UNO), the talks that the two organizations had been holding have been suspended.

An official BOS communique states: "BOS is hereby calling for careful thinking. It maintains, with a spirit of unity and patriotism, its willingness to continue the talks. BOS hopes that these talks will conclude with the signing of a national democratic agreement that will guarantee the establishment of democracy in Nicaragua and elimination of the danger of having the current communist dictatorship replaced by a dictatorship similar to that of Somoza."

The BOS document concludes by stating: "We reaffirm that the democracy and stability for which we are struggling can be guaranteed only by Nicaraguans working for solutions within a process of national reconciliation."

CASTRO SPEAKS AT DEDICATION OF BREWERY

FL241800 Havana Tele-Rebelde Network in Spanish 0132 GMT 24 Dec 85

[Speech by President Fidel Castro at the ceremony inaugurating the Tinima brewery in Camaguey -- recorded]

[Text] Dear Comrade Hager [words indistinct] relations with the GDR, dear comrade workers and technicians, also from the GDR, who have worked with us on the construction of this excellent factory, dear Camaguey construction workers, workers of this new industry:

We have the impression that today is a holiday for Camaguey, but I believe [interrupted by applause], but I believe [repeats himself] it is also a holiday for everyone. Not precisely with [words indistinct] because beer is associated with the idea of happiness and with parties, in part because of this. I would say that more so because of the satisfaction it gives us in completing such a work as this during truly challenging times.

On its importance to the population, I am going to mention some statistics so we can better understand because this industry has social and great economic importance.

The first point is that it is an installation capable of producing 100,000 liters of [words indistinct] calculated by millions of liters. That is associated with our efforts to adopt the metric system once and for all. You know that there are large quantities of measures, but if one is not familiar with one form of measure, he must translate it into another. We are accustomed to measuring by cases -- not drinking beer by cases even though there are those who do drink it by cases -- to measure by cases, 1 case of beer, 1,100 cases. Each case of beer has 24 beer bottles. As a measure, the bottle is larger but those units we call bottles of beer are less than half a bottle and I believe they have 350 centiliters. On the outside it says 0.35 liters and I believe that it really does contain that much even though there are some that occasionally have a little less. I do not know [does not finish sentence].

Previously there was always one bottle that had a little less. In those cases I think they used them for other things. However, since demand is so high, I think that one is also included. The beer workers know that that bottle that just happened to have a little less had a name; I do not remember [unidentified man in background interrupts Castro to give his name] Yes, Pirey, No? Yes, Pirey. They used to talk about that beer since it was cheaper because it did not meet all the quality rules.

One hundred liters [words indistinct]. One hundred liters of beer equal 11.9 cases. Now you know, 11.9 cases. [applause] But almost, just barely, it equals 240 bottles of beer. It is a little less because it is 11.9 cases [words indistinct] that I do not make a mistake. You here know that if you subtract 24 from 100 you have 24 less, if I am not mistaken. It is possible that I am mistaken; then it would not have 240 bottles, it would have 216 bottles of beer. I will calculate more accurately later because I did this in my head.

Now you have an idea -- right? -- of what 100 liters of beer are. If it is still not clear, it is almost 2 and 1/2 bottles. It is a big production, but measuring it by liters would mean that when this plant is in complete production it could possibly supply 10 liters of beer per capita, including children who are 30, 35, 40 days old, when I speak of per capita. [laughter] You know that this does not mean they drink beer.

For the beer drinkers it possibly means that when there are 10 bottles of beer per capita, they would consume 15 bottles per capita and possibly even 20 per capita. But I also want to demonstrate that beer not only benefits beer drinkers. It benefits many of those who do not drink beer.

Something else I want to demonstrate later, towards the end so as to not bring in too many numbers now, is that it is more beneficial to those who do not drink beer. I will explain it to you later. You will not understand it well now if I do not demonstrate it to you.

Good. Some other statistics: How much beer was produced before the triumph of the revolution, the last year before the revolution, 1958? The amount produced was 123 million liters. How much will be produced this year in 1985? The amount produced will be 294 million liters, which is 2 and 1/2 times the amount produced in 1959 [as heard]. If the population increased by 50 percent, the consumption of beer logically increased 155 percent. You know perfectly well that the demand [corrects himself] the beer supply is not sufficient. The demand is greater than the supply. You know that there are some municipalities where beer is available once a month and long lines are formed to purchase beer.

You know that in the eastern provinces there is only one factory, and as a result the western provinces are greater consumers of rum than beer. As you know, rum has a higher alcohol level. Rum cannot legitimately be considered a food like beer can. It is not that I am campaigning against rum. [laughter]

In any case, we export rum and we consume it. Our rum is of an excellent quality. According to scientists, within certain limits and very moderately, alcohol is not harmful. Beyond certain limits it does become harmful. It would be very difficult for someone drinking a limited quantity of beer to be harmed by the alcohol content. It is possible that it would affect the abdomen because, as you know, some very fat people -- the beer drinkers, the true beer drinkers -- can be identified by their potbellies, to call it in more colloquial terms, and they often get very chubby. They are famous for consuming a lot of beer. Those are the ones who drink 5 or 10 liters a day. I am not speaking about 35, 700 deciliters, or even 1 liter.

It was explained to me that beer has a level of alcohol. When a beer says 10 percent, it does not mean 10 percent alcohol. It means 10 brewers degrees. I discussed this at length with a Havana technician at the model where that beer was going to be produced, which has a lot of prestige and quality like the special 12 percent beer (Atuay). Other beers produced are Tropical and Polar, and are produced in several areas. I drink (Atuay), which may be why I am propagandizing it: More here, but it does not mean that I do not know the quality of the special beers (Atuay) [corrects himself], Tropical, and Polar. I understand that in Santiago they will be producing a special beer and I believe that you here will produce a special 12 percent beer.

When they were testing, I asked the food industry and brewery comrades to struggle for a better quality beer. I asked them: Why can we not do this? We use excellent quality malt and hops. Let us try to make an effort. This was a few years ago, not long, but the beer has certainly begun to improve since then, not only the beer produced in Havana, but also in Santiago de Cuba. There was a time when quality fell. Raw materials were standardized and an increase in quality was achieved and, to tell the truth, not just of the special beers, which are excellent -- I am fully aware of what I am saying; the special beers are excellent -- but that of the common 10 percent beer. From what I know and the information we have received, it is of an acceptable quality.

When we discussed the problems of the alcohol level and the brewers degrees with the brewery technicians, they explained to me that when it says 10 percent, it is not 10 percent alcohol. I am taking advantage of explaining this because many people ignore that detail. When it says 10 percent, it means 10 brewers degrees. Twelve percent means 12 brewers degrees; 15 percent, 15 brewers degrees; 18 percent, 18 brewers degrees. This means that 10 percent beer, for example, has 18 percent kg of raw material. I can explain this later also. It can be pure malt or the standard 2/3 malt and 1/3 refined sugar. It can be 22 kg of malt, such as 12 percent beer, or 26 kg of malt such as the 15 percent beer, or it can be 30 kg of malt per 100 liters, such as the 18 percent beer. I did not learn that here today, even though I learned many things here. I have known these statistics for a long time while we struggled to improve the quality of beer and produce special quality beer. Twelve percent beer is produced with 22 kg of malted beer [as heard]. The 18 percent beer with 30 kg of malt is denser. Now a 10 percent beer has approximately 3.5 degrees of alcohol, approximately 1/3. A 12 percent beer has approximately 4 degrees of alconol.

An 8 percent beer is currently being produced. It is being produced for diabetics or those who do not want to gain weight. Carrillo, the technician, the specialist from the food industry institute who was working here, explained 8 percent beer to me since he worked on and developed that beer.

The 8-percent beer for diabetics has more or less the same alcohol level as 10-percent beer, but it has less than one third as much sugar, or about one third as much sugar -- not cane sugar but sugar that beer normally has during fermentation.

It has one third as much sugar as 10 percent beer. And finally, the food industry has been developing 4-percent beer. Why? The situation on the beaches. On the beaches of eastern Havana, beer and malt is sold, but unfortunately there is always a group of persons who do not have sufficiently good manners around the places selling beer. Some drink too much beer and then do not behave as they should on the beaches. Inasmuch as the revolution is interested in the well-being of the people. Complaints regarding the behavior of some people on those Havana beaches have made us consider the idea of stopping the sale of alcoholic beverages on these beaches.

Let us consider the case of the camping facilities. We have about 100 where families go. At the camping facilities not even beer is sold. I think the people have always accepted this situation. Beer is not prohibited because we do not establish prohibitions that cannot be enforced. If someone wants to take a beer with him to a campground, he does so. If someone wants to take a bottle of rum, he does so. But the stores at the camping installations do not sell beer or rum or any kind of alcoholic beverage.

Because there have been complaints regarding the bad behaviour of some persons at the places that sell beer, we have been considering two possibilities: suspension of the sale of alcoholic beverages on those beaches, including beer, because although it contains little alcohol some people drink a lot; or the sale of 4-percent beer so a person would have to drink almost a tank of beer to get drunk. [laughter] In short, we are considering the possibilities. It may be 4-percent beer for the person who will die if he doesn't drink beer, or zero-percent beer.

We have discussed the idea of this kind of beer with the food industry, and they have produced a prototype of 4-percent beer, and one does not go to sleep after a bottle of that beer, but it is refreshing. It may not seem appropriate at a brewery to speak of the drawbacks that beer may have. I believe beer is a food. I do not look upon beer as a drink. I think it is a food if taken in moderation. Anything taken in excess is bad.

It is even bad to drink too much water. If anyone drank a gallon of water, he would burst, although water is the best thing in the world. Everything taken to excess is bad, but I really think that beer is a food. I do not view it as an alcoholic beverage. I believe the amounts of alcohol in beer are tolerable and even healthy in certain amounts. I am sorry not to have a report with me that I read about 4 days ago concerning an experiment that had been conducted with a large number of persons, and the conclusions of the researchers: the persons with the best health were those who drank a moderate amount of beer daily, and not those who drank a lot or not at all. This was serious research with statistical calculations on those who drank a lot, those who drank somewhat, and those who did not drink. We cannot certify it, but our physicians may conduct this type of research, the influence on cholesterol levels, on blood pressure, or on other health factors. But I read the news of this research.

I spoke earlier of consumption prior to the revolution and consumption today. This year it totalled 294 million liters, and production capacity was about 300 million liters. That is, the country had no reserve production capacity to produce more beer. In the last few years, production has increased very little. The demand has increased but not the supply. From this point of view, this brewery means that the country has increased by more than 30 percent, that is, by one third, its beer production capacity. With the inauguration of this brewery, Cuba has the capacity to produce 400 million liters. Of course, this brewery is not suddenly going to begin to produce 100 million liters. Its 1986 production plan is 32 million liters. This brewery now has a production capacity of 50 million but it is not possible to assert that a new brewery is going to produce 50. The plan for 32 million is quite an ambitious plan. The brewery will produce 100, but 24 tanks must still be installed in addition to certain other details by the end of 1986. Production capacity will be 100 million liters annually. But it will not produce 100 million until the end of the 5-year plan because it has to approach full production little by little.

Workers and technicians continue to be trained for this plant, but about 4 or 5 years are needed to reach its peak production. This plant increases by 100 million liters the production capabilities of the country.

In addition to this plant -- built with the cooperation of the GDR -- Havana's Modelo brewery is being expanded as well as Santiago de Cuba breweries. Each one is going to produce 50 million liters. Therefore, between the two of them they will produce the amount this one will produce. Villa Clara's Tropical, Polar, and Manacas breweries are being remodeled and expanded. This will produce 30 million additional liters. In sum, with this brewery and the remodeled ones, production will increase to 530 million liters a year. However, other breweries will have to be built: For example, the old eastern region with a population of almost 4 million, the five eastern provinces, only have one brewery that is now being remodeled to produce 100 million liters. With this one, the eastern region, from Ciego de Avila to Guantanamo -- seven provinces -- will have two breweries. Five million people will have a production of 200 liters per capita. A new brewery will be needed. A similar brewery to this one is being planned for Holguin and we will try to build it during the next 5-year period. Later, a brewery will be needed in Pinar del Rio Province. The spreading out of production saves a lot in transportation. Consider that until today all beer produced [as heard] in Camaguey came from Manacas or sometimes from Havana. A bottling plant was opened to bring it in bulk to the province. But now figure out how much will be saved in transportation from the time this brewery begins production besides the increase in availability of beer.

I should say about this that we do not expect an overflow of beer all of a sudden and that Camaguey and the eastern provinces are not going to be flooded by beer. No, as I mentioned, 32 million liters will be produced next year. This will be consumed by other provinces.

Production will go from 294 million to 325 million in 1986. It will increase gradually, it is planned. So, the beer demand which until now cannot be calculated, will gradually be satisfied but not immediately. The opening of this brewery will contribute to the beer supply.

This plant cost almost 47 million pesos. Almost half of it represents the national contribution in equipment, construction, materials, etc. Over 50 percent was spent in materials and equipment from abroad. The GDR provided funds for the construction of this plant and has furnished about 22 million pesos worth of equipment.

But what is the most interesting thing about this new industry? I am going to begin by pointing out the technological aspect. This is the most modern industry in the country and will have greater productivity. Some of the present breweries with almost half or a little over half of the production this factory will have employ around 900 workers. This one -- when it is working at full capacity -- will employ 770 workers, including the ones distributing the beer. Thus, it will be characterized by greater productivity than the other ones. The processing is more modern. The period of time in cold storage and fermentation -- especially fermentation -- is shorter. This plant makes the most of everything. [words indistinct] of each ton of malted barley it uses. Unfortunately, other plants do not use 100 percent of that raw material. At full capacity this factory will use 12,000 tons of malted barley and 5,000 tons of refined sugar.

In the future, as other breweries do, it will use liquid sugar because it is senseless to refine sugar, making it into a liquid first and then into a solid. Other breweries work with liquid sugar, and in the future the same will be done in this brewery, which is prepared for liquid sugar.

From those 12,000 tons of malted barley and the sugar will come about 100 million liters. But everything is used; even the malt dust is gathered up, and 2 tons of malt dust will be collected daily and used in animal feed. Every day [words indistinct] cooking process, 12 tons of bran that in dry form is 20-odd percent protein. This will also be used in animal feed to feed pigs in the Camaguey area. It will also produce between 7,500 and 10,000 liters of yeast that will also be used in animal feed. It will produce 5 metric tons of gas, and this is important. The gas in beer, in malt -- do not forget that this brewery produces beer and malt, for which there is enormous demand, and the malt is sold at half the price of beer -- the gas contained in beer and malt comes from the fermentation that produces beer. It produces excess gas that is used in the production of soda pop. We will use 5 tons daily to produce soda pop. This is a by-product of the brewery.

The brewery makes maximum use of the barley because there are certain elements that recycle it, and this means the use of 100 percent of the nutrients contained in the malted barley. It is a really modern brewery that uses everything and has high productivity. We hope it will produce high quality beer and malt.

It has well-trained workers. Of the workers, there are 134 technicians and workers who were trained in the GDR -- 134, and another 100 [corrects himself] 106 technicians and workers who are being trained in the GDR, that is, about 240 youths trained in the GDR in breweries similar to this one who have acquired great experience, experience of great quality. In addition, we have experience in producing beer although with technology not as modern as this. In that sense, the province and the country should be proud to have a new brewery with such modern technology as this brewery has. Is this the best part of this brewery? No. The best part of this brewery is the way it was built and the calmness with which is was built.

We had been thinking about this brewery for years, more than 10 years, since we realized we needed an industry like this in the provinces. When we saw that there was excellent underground water -- and water seems to play a very important role in beer brewing -- measures were taken to protect this underground water. This took place years ago. We were finally able to contract for the building of this brewery, thanks to the cooperative spirit of the GDR.

This brewery was built in record time. On 31 December 1983, the brigade and the province pledged to Comrade Raul that this brewery would be completed by the date of the first congress [corrects himself], by the second congress, by the date of the second congress... [aside] Third? Third congress [words indistinct] The years go by so fast that we do not even realize it. [applause] The pledge was made that the third congress would consume beer from this brewery. You have fulfilled that pledge because today is the 23rd and many of us have tried out this beer already. [applause]

We had to work very hard but our effort alone was not sufficient to build this brewery in 2 years. A special effort by the GDR was necessary. Comrade Lazaro even traveled to the GDR; he visited different installations, including a brewery similar to this one. Close contact was maintained between the Ministry of Food Industry, the party, the province, and the enterprises of the GDR that had to produce the equipment -- and not only with the ministries that had to produce the equipment but also with the party of the GDR. An effort by the GDR was needed. Without this effort, we could not have had the brewery completed by this date no matter how hard we worked. [applause]

The GDR had to supply the equipment and the technology, and it did, perfectly! The GDR did its part perfectly! This is notable if we take into account that in the month of May 1983 the last contract was let, which included essential parts of this industry. Despite the fact that the contracts were signed in April 1985, that equipment was produced and shipped to Cuba and installed in record time. Dozens of ships -- I think it was 59 ships -- brought in supplies for this brewery. Some materials were even shipped by air at the last moment to avoid delays. This means that in this industry the GDR showed its capacity to rapidly produce and supply complex equipment for a specific industry. [applause] There are really not many countries that can do this. It requires organization, excellent organization; it demonstrates great economic development and great capacity to respond to needs. I believe this experience says a great deal for the industrial development, organization, and efficiency of the GDR. But they supplied more than the equipment; about 60 GDR comrades have worked here during the construction of the brewery, 60 technicians. Toward the end there were about 115 GDR technicians working with us. Without their counsel, their support, we could not have built this industry in this period of time. [applause]

Nevertheless, it would not have been possible without the skill and effort of our construction workers either, [applause] or without the excellent cooperation of very diverse organizations. [applause] Special mention must be made of the projects enterprise of the food industry [MINAL]. [applause] With regard to the technical part, the general projection, and the coordination of the project, that enterprise showed its ability in the work it did for this industry, not only in the general plan, the civil engineering part and the construction engineering part, but also in various sections of the plant, which were designed by that enterprise.

Of course the GDR supplied the technological plan. The coordination between the GDR projects enterprise and MINAL's projects enterprise was really efficient. But in speaking of the merits of this project, it would be most fair to place the Industrial Projects Construction Enterprise, known as ECOI No 8, in first place. [applause]

It bore the basic responsibility for building this brewery. The [words indistinct] Industrial Projects Enterprise of Havana cooperated with ECOI No 8, and this should not be forgotten. [applause] This enterprise employed here an average of 500 construction workers, although on occasion it employed more than 1,000. Numerous organizations that are not really construction enterprises cooperated in this enterprise. This was the case of the Ministry of Sugar, which has great experience in boilers and machinery rooms and made a notable contribution to the construction of the brewery. [applause] [Words indistinct] cooperated in the bottling division and in the installation of [words indistinct]. [applause] The Ministry of Agriculture cooperated in everything related to the supply of water to the brewery. [applause]

The Ministry of Machinery Industry [as heard] cooperated with the production of metal structures. I understand it also helped with the installation. Railroad workers also helped [applause] in installing big tanks. The Ministry of Fishing Industry also cooperated [applause] in the area of maintenance shops. The Interior Ministry cooperated in landscaping activities. The (?CEATM) [State Committee for Material and Technical Supply], which does not have a big labor force, also cooperated according to their possibilities in the area of the plant's entrance. [applause] The ICP, the Cuban Petroleum Institute, cooperated by providing fuel to the plant. [applause] The Communications Ministry cooperated by installing the plant's in-house communications system. [applause] The electric enterprise, which is also very experienced in electric converters, supplied electricity to the plant.

The people's government from Camaguey Province contributed with over 1 million pesos in construction. The Committees for the Defense of the Revolution, citizens, peasants, and, of course, the Communist Youth also cooperated in this effort. [applause] It is possible I left out someone, but I should say everyone cooperated in one way or another according to their possibilities.

The construction of this plant is an example of cooperation between the state's organs, and social and mass organizations. I believe the contribution we have made in the construction of the industry is stimulating. It shows our development, our progress. But we must say something, note a detail which gives an idea of how fast it was built. Construction of this kind of plant usually requires 4 or 5 years. This plant was built in 2 years and 3 months. [applause] Ninety-two percent of the project was built during 1984 and 1985, in 2 years.

In addition, one can also see the quality of this project. Night has fallen, unfortunately we no longer have sunlight, but during the afternoon we could notice for example natural lighting in all areas of the plant. That saves energy. We can see the space, the planning of the project. We can see the beauty of the project. This shows that a factory can even be beautiful. The social-management building -- which is not very large -- is particularily beautiful and is enhanced by a new garden. Everything [words indistinct] areas to relax. It will not turn into a place like other places where everyone goes in and out without any control. At times those places turn into areas where people gather only to drink and not for healthy entertainment. This is why the ministry, together with the party, in the province is planning to establish a program to allow work centers, schools, various institutions to enjoy that garden in an orderly manner. We should not forget that next to it is the Maximo Gomez vocational school which soon will become -- it has already started to evolve into -- a pre-university vocational institute of exact sciences, like all the rest of the vocational schools. [applause] It is a few tens of meters away from the school. That cannot be a place where there are parties or disorderliness at any time of the day or night. It has to be an orderly and healthy recreational center. The party and mass organizations will make sure it is.

They also have there a so-called tavern. They call it a tavern. It is not a restaurant, and it is not a bar. I can tell you it is a beautiful place. It is very well decorated. It has equipment also furnished by the GDR to drink beer and eat sausages, a European custom. It would be nice for visitors and sectors of the population to visit the tavern and have the opportunity to enjoy the excellent quality of Tinima beer and the excellent quality they are going to try to obtain in the sausages; I do not know what they are going to call the sausages, but they are going to be produced in Camaguey. [applause]

They have just finished establishing another foodstuff industry. If the province specializes in it and increases its production, I believe this plant can be complemented with that social center. The success of anything in this province is guaranteed by the enthusiasm of its people and the enthusiasm of the party and mass organizations in this province of Camaguey. [applause]

We can do anything we set out to do, and we can do it well. I believe the quality of work applied to this project should become widespread, and we hope that when we can build the Holguin brewery all this experience will be applied and that, wherever possible, the cooperative spirit that existed here will reign. [Words indistinct] upon my arrival in this province today, Comrade Blas showed me a list of the projects built by the revolution in Camaguey Province. It is truly impressive what has been done in Camaguey Province in these years of the revolution. Perhaps, even at the cost of using a few additional minutes, if you will allow me to, I could .... [applause] I could quickly read to you a list of what has been done in the various sectors which explains the progress made in the province, just as has been made in all the provinces of the country.

Last year, in 1984, I spoke of what had been done in Cienfuegos. It was also an impressive project. But what has been created in these revolutionary years in Camaguey Province is also impressive. Perhaps the population of Camaguey and the country has had little chance to learn what projects have been built in any province. For example, the food industry, in addition to this brewery we have inaugurated today with great satisfaction, has also built the Camaguey pasteurization plant, the Camaguey baking plant, the Nuevitas soft drink bottling plant, the Camalote canning plant, the Nuevitas Imias ization plant, the meat combine, the Raul Cepero Bonilla meat packing plant, the pasteurcitrus fruit packaging plant, the poultry slaughter house, 16 bakeries, the Coppelia ice cream factory, the Nuevitas cookie factory, 9 ice factories, a sherbet factory, 4 rice drying plants, a brewery, the Camaguey soft drink plant, 2 deep-freeze plants [words indistinct].

In basic industries: The fertilizer plant in Nuevitas, which was an investment of 100 million pesos; the liquid nitrogen factory; the calcium carbonate plant in Guaimar; units 1,2,3,4, and 5 of the Nuevitas thermoelectric powerhouse with 442-megawatt capacity; the Santa Lucia salt industry; the belt factory; the tire retread plant; the herbicide factory; 3,400 km of electric power lines; steelworks; wire and electrodes factory; engine repair plant [words indistinct]; raw materials base; target rifle factory; and tools factory.

In light industry: the printing house; three sewing shops that produce clothing; and the Abel Santa Maria tanning plant.

In the fishing industry: the Santa Cruz del Sur fishing enterprise; the fish factory hatchery; and five beneficent centers.

In the sugar industry: Batalla de las Guasimas sugar mill, processing 600,000 arrobas daily; Jesus Suarez Gayol sugar mill, with the same capacity; the reconstruction of all the sugar mills' 82 cane storage centers; 18 cane cleaning centers; the construction of 220 km of railroad tracks for the sugar industry; the Lenin machine shops; 180 agricultural machinery shops; an agrochemical center; 2 reproduction centers; experimental center for cane; agricultural construction insurance center; agricultrual and livestock raising centers; 500 dairies and weaning centers; 55 cattle-fattening installations; 195 calf-breeding installations; another 278 cattle centers; 23 pig farms; 35 poultry farms; another 38 installations; 58 breeding installations of the southern program; 60 fertilizer warehouses; 4 hydroponic installations with 30 units; 180 agricultural machinery workshops; soils and fertilizer laboratory; vegetable health laboratory; veterinary laboratory; artificial insemination center; 2 cattle-fattening centers with capacity for 27,000 bulls; the Mario Herrera Toscano agricultural tools shop 2,200 km of rural roads; waterworks; 15 dams; 36 microdams and other dams with capacity for approximately 900 million cubic yards; 3 water treatment plants; the Esmeralda system for 945 caballerias of sugarcane; and the rice system for 1,500 caballerias of rice.

Construction materials industry: Concrete pipe enterprise; 7 prefabricated housing component factories with a capacity of 3,500 dwellings annually; 7 asphalt plants, 5 sand-washing plants; the Nuevitas cement factory; a tile and terrazzo factory; 13 tile works; 6 concrete block plants; 1 ims [not further identified] housing plant and 6 under construction; three 12-story buildings -- before Camaguey had none; you couldn't see Camaguey when you drove along the highway; now you can see Camaguey! [applause] -- three 12-story buildings and 5 under construction; one 18-story building under construction; and 8 stone crushers, including 1 with a capacity of 1.2 million cubic meters.

Transport and communications: Five railroad terminals; more than 700 km of highways; coaxial cable substation; nine bus depots, central railway, Camaguey stretch 180 km, remodeled Nuevitas port; Nuevitas port machine shop; eight telephone exchanges; and eight post offices.

Education: Superior institute of medical sciences, [applause] with 2,400 students; university with 6 schools and 6,000 students; superior pedagogical institute, with 11,545 students; pedagogical school with 2,200 students; Maximo Gomez vocational school with 2,800 students; vocational school of art with 350 students; nursery training school with 500 students; 27 basic secondary schools in the country with 600 students each; 34 urban basic secondary schools; 62 primary boarding schools; 317 primary schools -- almost 50 percent of all the primary schools in Camaguey -- 26 day nurseries; the party school with 500 students; another 25 educational projects; physical education teachers' school with 500 students; elementary sports school with 1,200 students; Pioneers' palace; Pioneers' camp; 6 sugar industry polytechnical schools; 1 public health polytechnical school; 1 veterinarians' polytechnical school, 1 Construction Industry polytechnical school; 1 business polytechnical school; 1 railroad polytechnical school; 1 industrial polytechnical school; and 2 youth rehabilitation centers.

Public health: 10 hospitals with a total of more than 1,600 beds; reconstruction and enlargement of 2 hospitals; 23 polyclinics, including polyclinics for pediatric specialities; 6 dental clinics; 26 medical posts, 2 units for electrical treatments; 1 blood bank; 10 homes for the elderly; 7 maternity homes, 1 home for the physically handicapped; and an intensive therapy unit for children.

Culture, sports, and recreation: Ballet of Camaguey; 5 movie theaters; Ana Betancur museum; 12 municipalities with town cultural centers; 1 television center; 6 radio stations; 6 gymnasiums; 15 recreational shooting ranges; 14 ballparks, including Candido Gonzalez stadium; 16 pools; explorers' centers; 5 camping installations; and the Ignacio Agramonte museum.

Other social projects: 88,950 dwellings; 7 hotels with 538 rooms -- the figure for dwellings includes privately built homes; 7 motels with more than 150 rooms; 6 children's parks, including the Camilo Cienfuegos amusement part; 17 data processing centers, 3 of which are large; 5 data processing stations and various microprocessors [microprocesadores]; 16 branch banks for the population; 19 savings banks; and 3 public squares.

Trade and services: 223 basic stores; 12 shopping centers; 14 supermarkets; 171 cafeterias, bars, and lunch counters; 18 restaurants; 7 pizzerias; 30 butcher shops; 16 fish markets; 29 barber shops and hair dressers; 14 candy stores; 1 department store [policentro], and 1 parallel market.

This will give you an idea of the effort made during these revolutionary years. But if what has been done is important, what remains to be done is even more important. I am now going to refer to the principal construction projects being carried out in Camaguey: Enlargement of wire and welding rods factory; unit six of the thermo-electric power plant which, as you know, is of 125 megawatts; Lasacra sugar mill; the clay pipe and elements enterprise; the Camaguey machinery factory [planta mecanica], which will be the biggest industry in the province; Cuban-Bulgarian friendship dam and water treatment plant; the enlargement of fuel storage installations in Pastelillo; citrus fruit pier; the Camalote project; development of the Jimaguayu dairy farm; modernization of Brasil and Sierra de Cubitas sugar mills; modernization of Agramonte sugar mill; cane irrigation system in Esmeralda; Sierra de Cubitas citrus installation; development of shrimp farming in Santa Cruz del Sur, which will become an economically important export center; Florida soft drink factory; southern belt highway; medical electrical treatment center [taller de electromedicina] of Camaguey; enlargement of military hospital; six garment shops; an 80-bed hospital in Minas; an 80-bed hospital in Sibanicu; a railway junction; dredging of the port; port shipyard; northern highway; main airport building; electric power distribution station; tandem telephone exchange; Palo Seco mill, with 300,000 cubic meter capacity; satellite ground station; geology laboratory; Najasa II dam; Cuba-Bulgarian friedship pipeline; sports coliseum; enlargement of maternity hospital; Camaguey loading and unloading center; plant disease laboratory: 40 projects. The residents of Camaguey have the chance to continue making use of their excellent constructive spirit and their extraordinary cooperative spirit.

We should not rest on our laurels. We have a lot more to do, and we have to do it better and better. Not much more will be done in education. All the installations that Camaguey needs for an excellent educational system have been built. Our struggle now has to be for greater quality. I have already explained the enormous advance in quality that will be achieved by converting the vocational school into a school or pre-university institute, as we are doing in the rest of the country.

As you know, the construction of the intensive therapy unit at the provincial pediatric hospital meant a leap forward in quality. The creation of the ballet was a leap forward in quality too, in culture. In that field our effort will not be measured by the new construction projects but rather by the use made of and the quality of what we do in those installations related to education, public health and cultures.

In the field of the economy, we must continue building and advancing; in sugar cane, in rice, in industry, we must make an enormous effort. I mentioned the shrimp farm that is being built, which will be an important source of foreign exchange for the country. The economic areas will continue to be developed. We are sure that the construction of dwellings will increase because there are not enough, despite all we have done. The quantitative effort must be accompanied by a qualitative effort everywhere.

This afternoon we felt special satisfaction when we outlined the importance of this brewery and how the miracle of this brewery was possible. We see that we are capable of exemplary projects. This speaks very well of socialism, of cooperation between socialist countries, and of cooperation among ourselves. It speaks very well of our progress. But what we have achieved with the construction of this brewery we must also achieve in production. A new unit of workers is coming to life, and they have the moral obligation to be as exemplary as the builders. This afternoon they received the flags and insignias. The history of this unit of workers is yet to be written, and we exhort you young workers to write as brilliant a page as the builders did. [applause] Let this brewery be characterized by discipline, by its sense of responsibility, by the quality of its products. All Cuba is expectant, wanting to know what Camaguey beer is like.

I want to say one thing. This brewery is still in a testing phase, in which technological tests are being run. This does not mean that the products are of poor quality but rather that the brewery is not yet producing the standard 10-percent beer that is produced throughout Cuba, which as I said consists of 70-percent malted barley and 30-percent refined sugar. Because of the need to test all the equipment, the brewery has started functioning with 100-percent malted barley and with a few experimental brews of 90-percent. It is still not standard beer but a kind of special beer, of which there are about 100,000 cases. I believe distribution of this beer is to begin today following the conclusion of this ceremony. [applause]

They are beginning to distribute, but this beer has 18 kg of malted barley per 100 liters. It is not standard beer, which will be a good beer. If you notice little changes in the taste of the beer do not attribute it to a drop in the quality or to a change in the beer. And the coming 10-percent beer may please more people than this first 10-percent beer made of 100 percent malted barley.

From now on we must preserve the prestige of the brewery. For this reason, when I got here I asked how many boxes were to be distributed and of what kind of beer. Later they will make standard beer. And then they will begin to make a beer that is even more special, and it will be 10-percent beer, and it will be better than standard beer. It will also have a different price.

This brewery will use 20 percent of its capacity to produce malt that we hope will also be of good quality. Malt is sold at a much lower price than beer. It nevertheless takes more raw material. It costs more than beer. But as I said, the goal of socialism is not merely to make a profit; considering that malt is different from beer, it is sold for less than one-half of what beer costs. Beer sales subsidize malt sales, although malt still makes a profit at the price for which it is sold. For logical reasons and because of the importance of each product, the prices of the two are different and independent of the production cost.

I think it would be a good idea to explain the following. Those of you who have super-discriminating taste and can get used to 10-percent beer made from 100 percent barley, you may not be surprised if there is a subtle difference. Throughout Cuba, 10-percent beer is produced from 70-percent malted barley and 30-percent sugar.

Now everyone will be waiting, as I said, to try the beer you produce, and I hope you become famous for its quality, not only because of the modern technology but because of the quality of the waters of Camaguey. It was always said that these waters were very good. We will see that now by the quality of the beer.

You will have to take care of maintenance and struggle year after year to assimilate the capacity of the brewery. I said that next year production will be 32 million liters. I do not have an exact figure for 1987, but I expect it will be more than 50 million. The minister of food industry will have no reason to complain. Production will go up another 20 or 25 million, until the brewery is producing at capacity.

There is a demand for beer in the country. In the same way that we have a model brewery, let this brewery, although it is not called model brewery, let this brewery be a model. [applause] Let it compete in product quality with the other breweries in Cuba.

I said that not only beer drinkers would benefit from this brewery and that in fact beer drinkers would be those to benefit least. I am not saying they will not benefit; I am sure they will get much more satisfaction, especially those who have had to wait in line, and they will know they have a sure supply. A sure supply depends on a sure supply of crates and bottles, which sometimes accumulate at home to excess. Some may even hoard beer. I assure you that in the future hoarding will be unnecessary. It will be necessary to have the amount needed for inviting a friend or some friends, and maybe even enough to play dominos on Sundays, which a lot of people do on days of rest -- when there are days of rest, that is, when there is no voluntary work to do, which is seldom, not too often. [applause]

We are concerned about rest. You know there are free Saturdays and long Saturdays [sabados largos and duty does not always coincide with free time. In short, I hope that this product, which is a food, sustains you; not just the malt, which has traditionally been a food. I remember when I was a boy they used to say that pregnant women and nursing women had to drink malt. And I am not propagandizing too much. I know that you do not have enough malt and will not have enough for a long time. I mean not only malt, but beer is also a food. The researchers who say it is healthful may be right, within certain limits. I believe this food is going to be less scarce and that production and distribution are going to grow.

But I return to the idea that those who drink beer feel happy at being able to drink the beer they need, and so much the better if it is cold. In the GDR you cannot talk of cold beer because they drink it at room temperature. Of course, their climate is different from ours. But he who drinks a beer also makes a contribution to the economy.

An industry like this one means large earnings for the economy, for the country's finances. When it reaches full production its sales will amount to about 150 million [currency not specified] and this will not include the special beer that, if it acquires prestige and fame, will be demanded even in Pinar del Rio, especially until their brewery is built.

It is my understanding that there are 34 family doctors here, no, 33. Lazaro told me they were going to sit in the front row, but when I asked him [applause] when I asked him, he told me they were in the last row. As you know, we were speaking about projects here, but many of the things that have been done or are being done by the revolution were not mentioned.

Here we have not mentioned, for example, the great effort made by this province in defense, as all provinces have made. I have mentioned that this has taxed our energy, cost us sleep during the past few years.

For example, I did not speak about such important projects as the start of the family doctor program in Camaguey Province, which will have a growing effect year after year and which will also represent an enormous improvement in health services for our people and for this province. There are already 33 physicians. They were trained here in Camaguey; they did not come from abroad, or Santiago, or Havana. I am sure this new service will revolutionize medical services in our country. It will be a model for many countries. This will be the first country to undertake this project, which is very promising.

Some 20,000 physicians will be assigned to this project, both men and women. Possibly the majority will be women. There will be an additional 20,000 nurses assigned to the project, making a total of 40,000 compatriots lending this revolutionary service. It will be a network which will be completed in the next 12 or 14 years. Some 500 physicians have already joined this project. Beginning in 1986 1,500 will be assigned to the project every year. It is possible that 2,000 will join in 1989, and later on even 2,500 annually. They will come from the Carlos J. Finlay medical sciences detachment.

This will be accomplished with just the earnings of this factory alone -- this will give an idea of what socialism can do, and how socialism develops the country. It produces, distributes, redistributes, earns on the one hand and gives out with the other; essentially collects less or does not collect at all or subsidizes. In those things that are not essential -- no matter how good it may be -- such as beer, and I said it was good and could possibly be healthy, so long as it is not categorized as medicine with a subsidy... [sentence as heard]

We are earning funds with the beer, we do not deny it. We all know it well. We are happy about it. [passage indistinct] Perhaps we are running the risk of drinking only one beer. I believe that day is far from ever becoming a reality. Rum consumption in Cuba is low, and we are happy about that. Beer consumption is very low, I would say extremely low. We are not too happy about that. To cite an example, we consume 29.4 (?beers) per capita, including children who do not consume but theoretically they are assigned a portion of the per capita. Dividing 294 million liters into 10 million inhabitants, the result is 29.4.

Consumption of beer in Europe is much higher. I have asked how much is consumed in the GDR. In the GDR, 160 liters per capita are consumed, which demonstrates that they do not drink water with their meals. Lazaro said someone told him it was 160. Roca said it was 140. During the ceremony I asked the GDR ambassador, and he said it was 260. No, that is too much. In the end someone found out that the correct figure was 160. No matter what, that amount is five times what we consume here. Czechoslovakia has a similar consumption. All European countries have a high consumption. We are not wine producers or consumers. We are rum producers and try to export all of it. That is the correct thing to do.

Beer replaces wine in our climate. It is not exaggerated to have a consumption of 50 or 60. The day we double the per capita we will be very far from the consumption level of other countries with other habits, with cold weather. But I know we are very far from the amount of consumption which could be considered harmful to health, mind, or heart. I believe we do not have to worry about that, and we should continue to increase production annually.

With only one industry such as this one, earnings derived could pay for the family doctor project or the salaries of 20,000 physicians and 20,000 nurses. [applause]

In our society they earn good salaries, they have been raised. A considerable number of doctors has already specialized in comprehensive general medicine. That gives an idea of what the socialist economy is like. Production of some goods is subsidized, but others yield great income. Some months ago the country had 256,000 teachers. We have universities in every province. We spoke about the legal and educational installations and our development programs. All that requires resources and spending.

We have referred to great efforts made in defense. All that requires resources and spending. So industries like this one bring many of those resources to the country. However, this is not why we have motivated to build a brewery like this one. Profits did not motivate us to build a brewery like this one, as would be the case in a capitalist consortium. What motivated an industry like this was the idea of satisfying the people's needs. [applause]

The people, their needs, and their wishes are and will always be the first and foremost thing for us. [applause] But in this case the people's need and wishes coincided with the fact that it is a highly profitable industry for the country, not for the Ministry of Food Industry but for the country. This is why the workers, fulfilling their tasks, or construction workers, thinking about what they have done, realize that with this brewery they are not only helping those who drink a beer on a hot day -- or a cold day, if you like -- with their lunch or dinner, in the afternoon, or during a party, they will also be helping our health, education, development, and defense programs. This is why I said, and I believe I have demonstrated, that it will benefit those who do not drink and those who drink beer. [applause]

This afternoon I wanted to express these thoughts, and I believe the only thing left is to express our gratitude; not to our compatriots; I express our congratulations to our compatriots, to the people from Camaguey and all those who have worked in this project. But let me express our gratitude to our GDR brothers who helped to make it possible. We express our gratitude to all technicians who worked with ours in its construction. We thank all GDR enterprises which, in one way or another, contriubted to producing this brewery's equipment. Among them are three very important ones; [words indistinct] work center -- pardon me if I do not pronounce German correctly -- [words indistinct] work center -- this is German and not French -- and (Nagema) work center and all other GDR industries which have contributed. [applause] Our gratitude to the GDR Construction and Machine and Chemical Industry Ministries, represented here by two vice ministers, [applause] Our gratitude to the GDR Government [applause] and the GDR party. [applause].

That cooperation has not been expressed with this brewery alone. It was expressed [word indistinct] with the construction of the largest cement factory in the country, located in Cienfuegos Province. It was expressed on the Isle of Youth where, with each congress we open a new ceramic factory also with GDR equipment and technology. [applause] Before the third congress a new factory will open with twice the capacity as the one opened before. Many of those ceramic pieces are already being seen in the country -- plates, bowls, pitchers -- and are of increasing quality.

And we have seen interest by the GDR Government and party in those projects, because a large project is not easy. A lot of equipment and material are needed. They have to arrive in a certain order to be installed. It is not easy, no one thinks it is easy to build an industry of certain complexity, the same way we all know a sugar mill is not easy to build, even when we have already learned how.

It is a complex project, with varied equipment and diverse materials. They have to follow a time table to be able to complete it fast, in record time. The style of work, the efficient method of the GDR, helps us a lot in this kind of enterprise. The organs, ministries, enterprises, workers, and the party worry about it. Every time one of these projects is built in Cuba, Comrade Erich Honecker, GDR party secretary general, worries. [applause]

This is why we wish to express our deepest recognition to our GDR brothers for their unforgettable cooperation in this project. We ask the head of the delegation which honored us with their presence today, Comrade Hager, who was kind enough to speak to us in Spanish -- he learned Spanish when he fulfilled an honorable internationalist mission with the Spanish people defending the republic against fascism [applause] -- Comrade Hager, tell the party, the GDR people, the Politburo, and especially our dear Comrade Erich Honecker how this brewery is, how it has been built, how this ceremony has been -- full of enthusiasm and acknowledgement of the GDR -- and please convey to him on behalf of our people, on behalf of the people from Camaguey, on behalf of all the workers, of all communists, of all compatriots, of the Central Committee, of the Politburo, and on my behalf, our deepest gratitude for his beautiful cooperation, which made possible this victory of the revolution, socialism, and internationalism. [applause]

Fatherland or death, we shall overcome! [applause]

PERUVIAN PRIME MINISTER ARRIVES, GREETED BY CASTRO

PA300237 Havana International Service in Spanish 0000 GMT 30 Dec 85

[Text] Luis Alva Castro, Peruvian prime minister and minister of economy and finance, arrived in Havana on Sunday at the invitation of Cuban President Fidel Castro, who received him at the Jose Marti International Airport. The Peruvian delegation also includes Fisheries Minister Jose Palomino, who will discuss with Cuban authorities the possibility of further cooperation in this field. It was reported in Lima that the visitors will also express appreciation for two large Cuban fishing vessels which will work free of charge for Peru for 6 months, training future crewmen of a deep-sea fishing fleet to be created in Peru.

PERU EXPRESSES GRATITUDE FOR CUBAN FISHING AID

FL271652 Havana Tele-Rebelde Network in Spanish 1200 GMT 27 Dec 85

[Text] Lima -- Peruvian Prime Minister Luis Alva Castro has exalted Cuban solidarity with Peru at a reception for the crews of two Cuban ships that will work free of charge for the Peruvian people for a 6-month period. He added: Cuban President Fidel Castro has spared no effort and has sent these boats in a fraternal gesture that we Peruvians are grateful for.

HOYTE SWEARS IN 10 GOVERNMENT MINISTERS

FL281633 Bridgetown CANA in English 1440 GMT 28 Dec 85

[Text] Georgetown, Guyana, Dec 28, CANA -- Ten government ministers, including two newcomers and six re-appointees, were sworn in by Guyana President Desmond Hoyte last night, following December 9 general elections here.

Among those taking the oath of office and new to the ministerial ranks were Winston Murray, formerly head of the presidential secretariat, now senior minister of trade, and attorney-at-law Jailall Kissoon as minister of state within the Ministry of Agriculture.

The six ministers re-appointed from the previous government were Rashleigh Jackson, senior minister of foreign affairs; Carl Greenidge, senior minister of finance; Seeram Prashad, senior minister of transport; Yvonne Harewood-Benn, senior minister of information and public service; Urmia Johnson, minister in the Ministry of National Mobilization, and former West Indies cricketer Roy Fredericks, minister responsible for youth and sport in the Ministry of Education.

In the other appointments, Jeffrey Thomas, formerly senior minister for home affairs, is now senior minister responsible for manpower, housing and environment, and Dr Richard van West-Charles, before senior minister, health and public welfare, is now senior minister of health.

SENIOR CHURCH OFFICIALS ARRIVE TO ADDRESS RALLY

FL281644 Bridgetown CANA in English 1705 GMT 28 Dec 85

[Text] Georgetown, Guyana, Dec 28, CANA -- Barbados Roman Catholic Bishop Anthony Dickson was this morning refused entry into Guyana to join other Caribbean colleagues here for talks on deteriorating chruch-state relations, immigration officials said.

They said Dickson, who came in just after midnight, said he was here for discussions on the government's decision to order out of the country Roman Catholic priest Patrick Connors, who has lived here for 21 years.

Roman Catholic Archbishop Anthony Pantin of Trinidad and Tobago, Moravian Bishop Oliver Maynard from Antigua, and Archbishop Samuel Carter of Jamaica flew in yesterday.

But immigration authorities said that when questioned at the airport these three said their business here had nothing to do with the so-called Connors affair, which has surfaced in the wake of controversial December 9 general elections.

Bishop Dickson has been held at Timehri Airport since arriving and will be put on the next available Barbados-bound flight, expected to leave this afternoon, immigration officials said.

Relations between government and the major churches have worsened since key church figures supported opposition allegations of fraud in the elections, won handsomely by the incumbent People's National Congress (PNC).

A Roman Catholic spokesman said the church leaders were met at the airport by immigration officials armed with a list of prepared questions.

The churchmen were asked among other things whether they were here for a meeting on the Connors affair and if they proposed seeking a meeting with the home affairs minister on the issue.

Patnin, Maynard and Carter, who came in on an earlier flight yesterday, answered no to all the queries, but after Dickson replied in the affirmative to the first he was told he would not be allowed entry into Guyana, the church official said.

The established churches here have alleged stepped up government persecution since the elections, with the state-controlled press attacking church officials, the police searching the homes of key church leaders for arms and ammunition, and the Home Affairs Ministry ordering Connors to leave.

When Connors, a 51-year-old Briton, ignored the immigration order to be out by December 20, the deadline was extended to December 31. He has been officiallly deemed an undesirable.

The Barbados Christian Council (BCC) yeasterday said it had sent off cables to all Caribbean Community (Caricom) heads of government, urging them to use their influence to prevent Guyana from becoming another Grenada -- a reference to the political wrangling that led to the bloodbath of October 1983.

The Barbados Christian Council is deeply concerned over the worsening human rights situation in Guyana, the cable said. We strongly feel Guyana is headed for more violence and widespread loss of life.

The BCC groups the island's major Christian denominations.

According to a newsletter, purportedly issued by an ad hoc committee on the Connors affair and circulated in Georgetown, a rally organised mainly by the Roman Catholic Church will be held on the grounds of the Brickdam presbytery today and will be addressed by a number of senior church officials from overseas.

Meanwhile, a number of local religious leaders of the Christian, Hindu and Muslim faiths here have, in a statement here, urged the visiting churchmen not to allow themselves to be used by local minority political factions and become entrapped in local domestic issues about which they have not been properly informed.

They drew attention to the freedom of religion which all Guyanese have enjoyed in this country as a constitutional right and the harmonious relationship that exists between the various religious communities in Guyana and the government, and said that nothing should be done to disturb the amiable relationship.

A spokesman for the Ministry of Home Affairs had said yesterday that as far as government was concerned the Connors affair was an entirely domestic matter, and the Hoyte administration would brook no outside intervention.

If the foreign bishops were coming on ordinary religious business with their Guyanese counterparts, the government would welcome them, he said. But if, however, they were coming to involve themselves in any so-called protest action, the government would consider that an unwarranted interference in a purely domestic matter, and would deny them entry into Guyana.